

**HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HOUSING AUTHORITY  
COMMUNITY DEVELOPMENT COMMISSION  
FIRE PROTECTION DISTRICT  
WATER DISTRICT  
**AMENDED AGENDA****

*\* Item no. 7 attachment 1 revised after posting of the agenda*

*Regular Joint Meetings  
1<sup>st</sup> and 3<sup>rd</sup> Tuesday*

**Date: May 15, 2018  
REGULAR MEETING**

**Time: 5:30 P.M.** (Closed Session)  
**6:30 P.M.** (Regular Meeting)

**CITY COUNCIL MEMBERS**

Russ Blewett, Mayor

Bill Holland, Mayor Pro Tem

Larry Bird, Council Member

Paul Russ, Council Member

Rebekah Swanson, Council Member

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Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



**City of Hesperia**

**Council Chambers  
9700 Seventh Avenue  
Hesperia, CA 92345 and  
Teleconference Location:**

**16850 Bear Valley Road, Room 281B,  
Victorville, CA 92395**

**City Clerk's Office: (760) 947-1007**

**Agendas and Staff Reports are  
available on the City Website  
[www.cityofhesperia.us](http://www.cityofhesperia.us)**

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



**NOTE:** In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

**REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA FIRE PROTECTION DISTRICT  
HESPERIA WATER DISTRICT**

**Meeting to be held at the following locations:**

**9700 Seventh Avenue, Hesperia, CA 92345 and  
16850 Bear Valley Road, Room 281B, Victorville, CA 92395 (teleconference location)**

**As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.**

*Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.*

*Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

**CLOSED SESSION - 5:30 PM**

**Roll Call**

*Mayor Russell Blewett  
Mayor Pro Tem Bill Holland  
Council Member Larry Bird  
Council Member Paul Russ  
Council Member Rebekah Swanson*

Conference with Legal Counsel - Potential Litigation:  
Government Code Section 54956.9(d)2

1. One (1) case

Conference with Real Property Negotiators – Property Negotiations  
Government Code Section – 54956.8

1. Negotiating Parties: Interstate Waste Technologies and Hesperia Community Development Commission  
Location: APNs 0410-061-01, 02,03, 04, 06 and 07  
Under Negotiation: Price and Terms

**CALL TO ORDER - 6:30 PM**

**A. Invocation****B. Pledge of Allegiance to the Flag****C. Roll Call**

*Mayor Russell Blewett  
Mayor Pro Tem Bill Holland  
Council Member Larry Bird  
Council Member Paul Russ  
Council Member Rebekah Swanson*

**D. Agenda Revisions and Announcements by City Clerk****E. Closed Session Reports by City Attorney****ANNOUNCEMENTS/PRESENTATIONS**

1. Employee of the Month for May to Tammy Pelayes, Secretary to the City Manager and City Council by Rachel Molina, Assistant to the City Manager
2. Community Events Calendar

**GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.*

*In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.*

- 1) City Council
- 2) Fire District
- 3) Water District

**JOINT CONSENT CALENDAR**

1. Page 7                      Consideration of the Draft Minutes from the Regular Meeting held Tuesday, May 1, 2018

**Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, May 1, 2018.

**Staff Person:**    City Clerk Melinda Sayre



**Attachments:** [Draft CC Min 2018-05-01](#)

2. Page 11 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

**Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Staff Person:** Director of Finance Casey Brooksher

**Attachments:** [SR Warrant Run 5-15-2018](#)  
[Attachment 1 - Warrant Runs](#)

3. Page 13 Treasurer's Cash Report for the unaudited period ended March 31, 2018

**Recommended Action:**

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Staff Person:** Director of Finance Casey Brooksher

**Attachments:** [SR Treasurer's Report 5-15-2018](#)  
[Attachment 1 - Investment Reports](#)

4. Page 23 Real Property Purchase and Sale Agreement - APN 0410-031-06 Mauna Loa

**Recommended Action:**

It is recommended that the Hesperia Community Development Commission (HCDC) adopt Resolution No. CDC 2018-05: (i) approving the "Agreement For The Purchase And Sale Of Real Property And Joint Escrow Instructions" (Agreement) for real property located at the southwest corner of Mauna Loa Street and the "G" Avenue Lead Track, Assessor's Parcel Number 0410-031-06 (Property) by and between Western International Gas (Buyer) and the Hesperia Community Development Commission (Seller); and (ii) authorizing the Executive Director to execute all documents necessary to consummate the transaction.

**Staff Person:** Economic Development Manager Rod Yahnke

**Attachments:** [SR Real Property Purchase and Sale Agreement 5-15-2018](#)  
[Resolution HCDC 2018-05](#)  
[Attachment 2 - Purchase & Sale Agreement](#)

5. Page 51 Tentative Tract 16676

**Recommended Action:**

It is recommended that the City Council approve a workout agreement between

the City of Hesperia and Ozel Developing Inc. for street improvements in Tentative Tract 16676 and allow the City Manager to execute said workout agreement.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Tentative Tract 16676 5-15-2018](#)

[Attachment 1 - Workout Agreement](#)

**6. Page 63**

Off-Highway Motor Vehicle Grant Application to the California Department of Parks and Recreation

**Recommended Action:**

It is recommended that the City Council approve and adopt Resolution No. 2018-27 authorizing the submission of a California Off-Highway Motor Vehicle (OHV) Grant Application to the California Department of Parks and Recreation for a total of \$54,512, and authorize the City Manager and the San Bernardino County Sheriff's Department to execute the Application and any amendments thereto on behalf of the City.

**Staff Person:** Captain Mike Browne

**Attachments:** [SR OHV Grant 5-15-2018](#)

[Attachment 1 - OHV Grant Application \(available at Police Department\)](#)

[Resolution 2018-27](#)

**PUBLIC HEARINGS**

*Individuals wishing to comment on public hearing items must submit a speaker slip to the City Clerk with the numbered agenda item noted. Speaker slips should be turned in prior to an agenda item being taken up. Comments will be limited to five minutes for Public Hearing items.*

**WAIVE READING OF ORDINANCES**

*Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.*

**PUBLIC HEARING**

**7. Page 69**

Development Impact Fee Update

**Recommended Action:**

It is recommended that the City Council consider the attached Development Impact Fee Study, a comprehensive evaluation of the City's infrastructure needs to accommodate new development, and adopt of Resolution No. 2018-26 reflecting proposed revised Development Impact Fees set during the April 17, 2018 City Council meeting, in the Capital Improvement Development Impact Fee Categories of Fire Suppression Facilities, Vehicles, & Equipment, Police Facilities, Animal Control Facilities, City Hall Facilities, Records Storage Facilities, Drainage Facilities and Transportation Facilities that will amend the Fees for Single Family Residence units, Multi-Family Residence units, Commercial/Office/Retail sites per 1,000 SF, Industrial sites per 1,000 SF, and Hotel/Motel sites per room.

**Staff Person:** Assistant City Manager Michael Blay

**Attachments:** [SR Development Impact Fees 5-15-2018](#)

[Attachment 1 - Proposed DIF Fees](#)

[Attachment 2 - Fee Summary Memorandum](#)

[Attachment 3 - Fee Comparison Chart](#)

[Resolution 2018-26](#)

## **NEW BUSINESS**

8. Page 167 FY 2018-19 Budget Workshop #3 - Budget Update

**Recommended Action:**

It is recommended that the City Council and the Board of Directors of the Hesperia Water District receive and file this report and presentation, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2018-19.

**Staff Person:** Director of Finance Casey Brooksher

**Attachments:** [SR Budget Workshop #3 5-15-2018](#)

## **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.*

## **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.*

## **ADJOURNMENT**

*I, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Wednesday, May 9, 2018 at 5:30 p.m. pursuant to California Government Code §54954.2.*

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Melinda Sayre,  
City Clerk

*Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.*

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# City of Hesperia

## Meeting Minutes - Draft

### City Council

City Council Chambers  
9700 Seventh Ave.  
Hesperia CA, 92345

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Tuesday, May 1, 2018

6:30 PM

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**REGULAR MEETING AGENDA  
HESPERIA CITY COUNCIL  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
HESPERIA HOUSING AUTHORITY  
HESPERIA COMMUNITY DEVELOPMENT COMMISSION  
HESPERIA FIRE PROTECTION DISTRICT  
HESPERIA WATER DISTRICT**

**Meeting held at the following locations:  
9700 Seventh Avenue, Hesperia, CA 92345 and  
16850 Bear Valley Road, Room 281B, Victorville, CA 92395 (teleconference location)**

#### **CLOSED SESSION - 5:30 PM**

##### **Roll Call**

**Present:** 5 - Mayor Blewett (via teleconference location listed on agenda), Mayor Pro Tem Holland, Council Member Bird, Council Member Russ, and Council Member Swanson

**Absent:** 0

Conference with Legal Counsel - Potential Litigation:  
Government Code Section 54956.9(d)2

1. One (1) case

#### **CALL TO ORDER - 6:30 PM**

**A. Invocation by Pastor David Penn of Hesperia Church of the Nazarene**

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

**C. Roll Call**

**Present:** 5 - Mayor Blewett (via teleconference location listed on agenda), Mayor Pro Tem Holland, Council Member Bird, Council Member Russ, and Council Member Swanson

**Absent:** 0

**D. Agenda Revisions and Announcements by City Clerk - None**

**E. Closed Session Reports by City Attorney – Direction given to staff. No reportable action taken.**

## **ANNOUNCEMENTS/PRESENTATIONS**

1. Presentation by Regina Weatherspoon-Bell on behalf of the Dreamers, Visionaries and Leaders Project
2. Presentation of Certificate of Recognition to Sultana High School Wrestling Team
3. Presentation of Certificate of Recognition to Oak Hills High School Wrestling Team
4. Presentation to Bill Hague, Athletic Director from Hesperia Christian School in recognition of the school's successful football season
5. Community Events Calendar - *The Main Street paving between Hickory and Third Avenues begins this week through June, the City is accepting nominations for the Pride Enhancement Program.*

## **GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)**

*Bob Nelson commented on public comments during Council Meetings. Michael Chacon commented on various community issues, Armando Kriel commented on road conditions and homelessness.*

## **JOINT CONSENT CALENDAR**

*Bob Nelson commented on item 5.*

**A motion was made by Russ, seconded by Swanson, that the Consent Calendar be approved. The motion carried by the following vote:**

**Aye:** 5 - Blewett, Holland, Bird, Russ and Swanson

**Nay:** 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, April 17, 2018

### **Recommended Action:**

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, April 17, 2018.

**Sponsors:** City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

### **Recommended Action:**

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

**Sponsors:** Director of Finance Casey Brooksher

3. Annual Report on Status and Implementation of the General Plan

### **Recommended Action:**

The Planning Commission recommends that the City Council review this annual report, and direct staff to transmit copies to the Governor's Office of Planning and Research, and the Department of Housing and Community Development as required by law.

**Sponsors:** Principal Planner Jeff Codega

4. Approve the Term Loan Agreement Between the City of Hesperia and the San Bernardino County

Transportation Authority Related to the Construction of the Ranchero Road & I-15 Interchange Project

**Recommended Action:**

It is recommended that the City Council approve the Term Loan Agreement, Contract No. 17-1001629, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), for the principal amount of \$18,762,403.05 plus interest, related to the construction of the Ranchero Road & I-15 Interchange Project (C.O. No. 7086) and authorize the Mayor to execute the Agreement.

**Sponsors:** Assistant City Manager Michael Blay

5. Joining an Amicus Brief in support of the Department of Justice

**Recommended Action:**

It is recommended that the City Council approve joining an amicus brief prepared by the Immigration Reform Law Institute ("IRLI") in support of the Department of Justice ("DOJ") lawsuit asserting the supremacy of federal immigration laws, and authorize the City Attorney to take actions related thereto.

**Sponsors:** City Attorney Eric Dunn

6. Three-Year Maintenance and Licensing Agreement with Granicus

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Granicus Inc. for an amount not to exceed \$154,815 to provide maintenance and licensing for the Legislative Management Suite (Legistar) and video streaming services.

**Sponsors:** IT Manager Sean Boal

7. Three-Year Maintenance and Licensing Agreement with Tyler Technologies

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Tyler Technologies, Inc. for an amount not to exceed \$378,415 to provide maintenance and licensing for the New World Financial System.

**Sponsors:** IT Manager Sean Boal

8. Two-Year Maintenance and Licensing Agreement with Superion

**Recommended Action:**

It is recommended that the City Council authorize the City Manager to execute a contract with Superion with a not to exceed amount of \$100,791 over two (2) years for licensing, support, and maintenance of TrakiT.

**Sponsors:** IT Manager Sean Boal

**NEW BUSINESS**

## 9. FY 2018-19 Budget Workshop #2 - Operating Budget

### **Recommended Action:**

It is recommended that the City Council and the Hesperia Water District Board of Directors receive and file this staff report and presentation, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2018-19.

**Sponsors:** Director of Finance Casey Brooksher

*Presentation was received and filed.*

### **COUNCIL COMMITTEE REPORTS AND COMMENTS**

*Council Member Russ commented on the budget workshop for AQMD and asked staff to agendaize an item regarding the City providing assistance to continue the Hesperia Days Parade.*

*Council Member Swanson commented on attendance at the League of Ca Cities Legislative Action Days conference in Sacramento.*

*Council Member Bird commented on attendance at the League of Ca Cities Legislative Action Days conference in Sacramento.*

*Mayor Blewett did not attend any outside agency meetings.*

*Mayor Pro Tem Holland commented on attendance at the League of Ca Cities Desert Mountain Division meeting, attendance at the Washington D.C. legislative conference, and upcoming attendance at the SANBAG and SBCTA meetings.*

### **CITY MANAGER/CITY ATTORNEY/STAFF REPORTS**

*None*

### **ADJOURNMENT**

*7:39 p.m.*

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*Melinda Sayre,  
City Clerk*



# City of Hesperia STAFF REPORT



**DATE:** May 15, 2018

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Fire Protection District  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance  
Anne Duke, Deputy Finance Director  
Keith Cheong, Financial Analyst

**SUBJECT:** Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Fire – Water)

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## RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

## BACKGROUND

The Warrant Run totals represented below are for the period April 14, 2018 through April 27, 2018.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$1,789,812.20	\$240,918.81	\$0.00	\$2,030,731.01
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	2,320.00	2,355.14	0.00	4,675.14
Community Development Commission	17,461.05	6,379.08	0.00	23,840.13
Fire	2,845.68	0.00	0.00	2,845.68
Water	121,609.03	92,419.96	0.00	214,028.99
<b>Totals</b>	<b>\$1,934,047.96</b>	<b>\$342,072.99</b>	<b>\$0.00</b>	<b>\$2,276,120.95</b>

## ATTACHMENT(S)

1. Warrant Runs

# ATTACHMENT 1

## City of Hesperia WARRANT RUNS 04/14/2018 - 04/27/2018

FUND #	FUND NAME	W/E 4/20/2018	W/E 4/27/2018	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
<b>Accounts Payable</b>							
100	GENERAL	\$ 1,346,172.55	\$ 42,688.44	\$ 1,388,860.99	\$ -	\$ 17,468,866.98	\$ 18,417,790.09
204	MEASURE I - RENEWAL	\$ 470.00	-	\$ 470.00	\$ -	\$ 806,409.17	\$ 1,380,870.43
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ 134,230.04	\$ 244,102.92
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 59,065.75	\$ 390,304.42
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 80.08	\$ -
251	CDBG	\$ -	\$ -	\$ -	\$ -	\$ 482,616.60	\$ 2,542,999.73
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00	\$ 76,528.00
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 172.96	\$ 25.00	\$ 197.96	\$ -	\$ 20,087.37	\$ 19,292.82
257	NEIGHBORHOOD STABILIZATION PROG	\$ -	\$ 18.83	\$ 18.83	\$ -	\$ 11,186.25	\$ 20,126.74
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ -	\$ -	\$ 4,260.76	\$ 6,578.53
263	STREETS MAINTENANCE	\$ 22,931.95	\$ 40,423.73	\$ 63,355.68	\$ -	\$ 1,466,673.17	\$ 1,389,614.11
300	DEV. IMPACT FEES - STREET	\$ -	\$ 1,002.71	\$ 1,002.71	\$ -	\$ 670,408.98	\$ 63,670.06
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ 74,477.50	\$ 67,267.81
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,430,596.96	\$ 1,437,715.42
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 789,439.94	\$ 781,300.07
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 890.00	\$ 15,158.85
800	EMPLOYEE BENEFITS	\$ 36,811.92	\$ 282,328.00	\$ 319,139.92	\$ -	\$ 5,729,094.92	\$ 5,520,734.42
801	TRUST/AGENCY	\$ 10,208.25	\$ 2,952.00	\$ 13,160.25	\$ -	\$ 2,351,679.92	\$ 738,215.42
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 951.50	\$ 278.46
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ 49,070.76	\$ 36,406.59
807	CFD 2005-1	\$ -	\$ 3,605.86	\$ 3,605.86	\$ -	\$ 1,178,970.30	\$ 1,160,127.77
	<b>CITY</b>	\$ 1,416,767.63	\$ 373,044.57	\$ 1,789,812.20	\$ -	\$ 32,789,056.95	\$ 34,309,082.66
200	HESPERIA FIRE DISTRICT	\$ -	\$ 2,845.68	\$ 2,845.68	\$ -	\$ 8,763,599.95	\$ 8,834,492.76
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ 54,996.40	\$ 354,193.57
	<b>FIRE</b>	\$ 2,712.68	\$ 133.00	\$ 2,845.68	\$ -	\$ 8,818,596.35	\$ 9,188,686.33
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ -	\$ -	\$ -	\$ -	\$ 7,562,034.60	\$ 7,612,576.41
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ -	\$ -	\$ -	\$ -	\$ 611,922.38	\$ 598,479.29
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ -	\$ -	\$ -	\$ -	\$ 3,277,591.93	\$ 3,307,598.97
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ 1,160,577.77	\$ 2,242.59
	<b>SUCCESSOR AGENCY</b>	\$ -	\$ -	\$ -	\$ -	\$ 12,612,126.68	\$ 11,520,897.26
370	HOUSING AUTHORITY	\$ 1,702.50	\$ 617.50	\$ 2,320.00	\$ -	\$ 80,970.12	\$ 3,952,206.15
	<b>HOUSING AUTHORITY</b>	\$ 1,702.50	\$ 617.50	\$ 2,320.00	\$ -	\$ 80,970.12	\$ 3,952,206.15
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 16,603.69	\$ 857.36	\$ 17,461.05	\$ -	\$ 212,508.52	\$ 269,055.16
	<b>COMMUNITY DEVELOPMENT COMMISSION</b>	\$ 16,603.69	\$ 857.36	\$ 17,461.05	\$ -	\$ 212,508.52	\$ 269,055.16
700	WATER OPERATING	\$ 55,606.85	\$ 62,226.16	\$ 117,833.01	\$ -	\$ 6,375,268.59	\$ 5,449,367.72
701	WATER CAPITAL	\$ -	\$ 1,968.75	\$ 1,968.75	\$ -	\$ 1,544,787.92	\$ 185,320.44
710	SEWER OPERATING	\$ 409.49	\$ 1,397.78	\$ 1,807.27	\$ -	\$ 1,402,861.98	\$ 1,890,887.87
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 1,927.50	\$ 432,760.00
	<b>WATER</b>	\$ 56,016.34	\$ 65,592.69	\$ 121,609.03	\$ -	\$ 9,324,845.99	\$ 7,958,336.03
	<b>ACCOUNTS PAYABLE TOTAL</b>	\$ 1,493,802.84	\$ 440,245.12	\$ 1,934,047.96	\$ -	\$ 63,838,104.61	\$ 67,198,263.59
<b>REG. PAYROLL</b>							
	City	\$ 240,918.81	\$ -	\$ 240,918.81	\$ -	\$ 4,713,290.95	\$ 4,499,297.67
	Housing Authority	\$ 2,355.14	\$ -	\$ 2,355.14	\$ -	\$ 72,460.28	\$ 83,274.82
	Community Development Commission	\$ 6,379.08	\$ -	\$ 6,379.08	\$ -	\$ 136,353.17	\$ 121,611.56
	Water	\$ 92,419.96	\$ -	\$ 92,419.96	\$ -	\$ 2,035,189.59	\$ 1,877,404.17
	<b>PAYROLL TOTAL</b>	\$ 342,072.99	\$ -	\$ 342,072.99	\$ -	\$ 6,957,293.99	\$ 6,581,588.22

\* The year to date totals for this Warrant Report are for the 2017-18 fiscal year starting July 1, 2017.

# City of Hesperia STAFF REPORT



**DATE:** May 15, 2018

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commissioners, Hesperia Housing Authority  
Chair and Commissioners, Community Development Commission  
Chair and Board Members, Hesperia Fire Protection District  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance  
Anne Duke, Deputy Finance Director  
Robert Worby, Financial Analyst

**SUBJECT:** Treasurer's Cash Report for the unaudited period ended March 31, 2018

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## RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

## BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

## ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

## FISCAL IMPACT

These reports reflect unaudited cash balances as of March 31, 2018.

## ALTERNATIVE(S)

Provide alternative direction to staff.

## ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Fire Protection District Investment Report
6. Hesperia Water District Investment Report

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**CITY OF HESPERIA**

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<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	\$ 1,129,483.33
AB27666 - Transit (254)	69,234.65
AB3229 Supplemental Law (255)	56,603.18
AD No. 91-1 (802)	355,473.01
Beverage Recycling Grant (256)	132,849.63
CFD 2005-1 (807)	715,698.02
City Wide-Capital Projects (504)	(8,913.22)
Community Dev Block Grant (251, 252, & 253)	513,120.42
Development Impact Fund (300-304)	9,046,639.83
Disaster (260)	1,557.89
Gas Tax Fund (205)	203,484.62
Gas Tax - RMRA (209)	122,858.93
Gas Tax Swap (206)	196,484.86
Local Transportation SB325 (207)	745,530.36
Measure I - Renewal (204)	3,715,591.70
Neighborhood Stabilization Prog (257)	2,034,333.98
Public Works Street Maint (263)	456,259.44
Trust Fund (801, 803-806, & 815)	1,899,496.85
2012 Water Rights Acquisition (402)	(403,556.62)
2013 Refunding Lease Rev Bonds (403)	(116,099.92)
<b>TOTAL CITY FUNDS</b>	<b><u><u>\$ 20,866,130.94</u></u></b>

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY**

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<u>FUND</u>	<u>VALUE</u>
Successor Agency Administration (173)	\$ 0.01
Redevelop Oblig Retirement - PA1 (160)	2,068,064.84
Redevelop Oblig Retirement - PA2 (161)	197,051.20
Redevelop Oblig Retirement-Housing (162)	979,297.83
<b>TOTAL SUCCESSOR AGENCY FUNDS</b>	<b><u><u>\$ 3,244,413.88</u></u></b>

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**HESPERIA HOUSING AUTHORITY**

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<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 3,018,311.97
VVEDA Housing Authority (371)	1,727,019.90
<b>TOTAL HOUSING AUTHORITY FUNDS</b>	<b><u>\$ 4,745,331.87</u></b>

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**COMMUNITY DEVELOPMENT COMMISSION**

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<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<b><u>\$ (730,316.26)</u></b>

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**FIRE**

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<u>FUND</u>	<u>VALUE</u>
Fire District Fund (200)	\$ (2,496,224.61)
Fire Station Building (502)	6,359,926.42
<b>TOTAL FIRE FUNDS</b>	<b><u>\$ 3,863,701.81</u></b>

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**WATER**

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<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 7,477,609.99
Water Capital (701)	(12,363,378.99)
Sewer Operating (710)	12,503,108.66
Sewer Capital (711)	3,989,306.13
<b>TOTAL WATER FUNDS</b>	<b><u>\$ 11,606,645.79</u></b>

*City of Hesperia*  
**Investment Report**  
**Unaudited**

ATTACHMENT 1

March 31, 2018

<u>Type of Investment</u>	<u>Institution/ Fiscal Agent</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of Calif.	1.524%	31-Mar-18	Demand	\$ 16,355,806.55	16,355,806.55	16,355,806.55	
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	4,251,439.88	4,251,439.88	4,251,439.88	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Mar-18	Demand	258,884.51	258,884.51	258,884.51	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 20,866,130.94</b>	<b>\$ 20,866,130.94</b>	<b>\$ 20,866,130.94</b>	

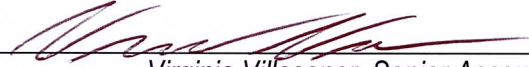
**Investments under the direction of fiscal agents:**

2012 Lease Revenue Bonds	Union	0.000%	31-Mar-18	Demand	-	-	-	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Mar-18	Demand	404,664.63	404,664.63	404,664.63	2012 - Water Rights Interest Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Mar-18	Demand	-	-	-	2012 - Water Rights Principal Fund
2012 Lease Revenue Bonds	Union	1.560%	31-Mar-18	Demand	1,460,804.15	1,460,804.15	1,460,804.15	2012 - Water Rights Reserve Fund
2013 Refunding Lease Revenue Bonds	Union	0.000%	31-Mar-18	Demand	1.00	1.00	1.00	2005 Civic Plaza - Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	1.560%	31-Mar-18	Demand	252,073.28	252,073.28	252,073.28	2005 Civic Plaza - Interest Fund
2013 Refunding Lease Revenue Bonds	Union	1.560%	31-Mar-18	Demand	1,155,751.72	1,155,751.72	1,155,751.72	2005 Civic Plaza - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.570%	31-Mar-18	Demand	54.24	54.24	54.24	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	Union	1.550%	31-Mar-18	Demand	41.16	41.16	41.16	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	Union	1.560%	31-Mar-18	Demand	1,431,056.58	1,431,056.58	1,431,056.58	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.560%	31-Mar-18	Demand	22,965.45	22,965.45	22,965.45	2014 CFD 05-1 Administrative Expense Bonds
Deposits W/Other Agencies	Various	n/a	31-Mar-18	n/a	-	-	-	GL 1350
Deposits - Workers' Comp	PERMA	n/a	31-Mar-18	n/a	905,516.93	905,516.93	905,516.93	GL 1352
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 5,632,929.14</b>	<b>5,632,929.14</b>	<b>5,632,929.14</b>	

**Please Note: All market value data is provided courtesy of the City's fiscal agents,  
Union Bank of California & Bank of New York (BNY) Trust Company.**

***I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.***

\* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.

  
Virginia Villaseñor, Senior Accountant



# Investment Report

## Unaudited

### March 31, 2018

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
<b>Investments under the direction of the City:</b>								
Local Agency Investment Funds	State of Calif.	1.524%	31-Mar-18	Demand	\$ 2,543,116.69	\$ 2,543,116.69	2,543,116.69	
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	661,044.00	661,044.00	661,044.00	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Mar-18	Demand	40,253.19	40,253.19	40,253.19	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 3,244,413.88</b>	<b>\$ 3,244,413.88</b>	<b>\$ 3,244,413.88</b>	

**Investments under the direction of fiscal agents:**

2005 Tax Allocation Bonds	Union	1.570%	31-Mar-18	Demand	177.88	177.88	177.88	2005A - Interest Account
2005 Tax Allocation Bonds	Union	1.570%	31-Mar-18	Demand	170.55	170.55	170.55	2005A - Principal Account
2005 Tax Allocation Bonds	Union	1.560%	31-Mar-18	Demand	2,286,713.21	2,286,713.21	2,286,713.21	2005A - Reserve Account
2005 Tax Allocation Bonds	Union	1.560%	31-Mar-18	Demand	254,087.48	254,087.48	254,087.48	2005A - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Mar-18	Demand	1.00	1.00	1.00	2007A - Revenue Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	94.66	94.66	94.66	2007A - Interest Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	205.27	205.27	205.27	2007A - Principal Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	6,047,256.07	6,047,256.07	6,047,256.07	2007A - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	476,971.47	476,971.47	476,971.47	2007A - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	3,221,080.62	3,221,080.62	3,221,080.62	2007A - Housing - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Mar-18	Demand	1.00	1.00	1.00	2007B - Revenue Account
2007 Revenue Bonds	Union	1.620%	31-Mar-18	Demand	6.16	6.16	6.16	2007B - Interest Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	140.24	140.24	140.24	2007B - Principal Account
2007 Revenue Bonds	Union	1.630%	31-Mar-18	Demand	3.07	3.07	3.07	2007B - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.600%	31-Mar-18	Demand	3.76	3.76	3.76	2007B - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.560%	31-Mar-18	Demand	589,953.77	589,953.77	589,953.77	2007B - Housing - Reserve Account
Deposits w/Other Agencies	Various	n/a	31-Mar-18	Demand	-	-	-	GL 1350
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 12,876,866.21</b>	<b>\$ 12,876,866.21</b>	<b>\$ 12,876,866.21</b>	

Please Note: All market value data is provided courtesy of the City's fiscal agent  
Union Bank of California.

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

\* Note: The 1994 A, B & C Notes were refinanced to 2005 Series Bonds in May 2005.

  
Virginia Villaseñor, Senior Accountant

*Hesperia Housing Authority*

ATTACHMENT 3

**Investment Report**

**Unaudited**

March 31, 2018

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.524%	31-Mar-18	Demand	\$ 3,719,603.33	3,719,603.33	3,719,603.33
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	966,853.57	966,853.57	966,853.57
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Mar-18	Demand	58,874.97	58,874.97	58,874.97
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 4,745,331.87</b>	<b>\$ 4,745,331.87</b>	<b>\$ 4,745,331.87</b>

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

  
Virginia Villasenor, Senior Accountant



**Investment Report****Unaudited****March 31, 2018**

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.524%	31-Mar-18	Demand	\$ (572,454.54)	(572,454.54)	(572,454.54)
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	(148,800.74)	(148,800.74)	(148,800.74)
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Mar-18	Demand	(9,060.98)	(9,060.98)	(9,060.98)
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ (730,316.26)</b>	<b>\$ (730,316.26)</b>	<b>\$ (730,316.26)</b>

*I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.*

  
Virginia Villasenor, Senior Accountant

*Hesperia Fire District*  
**Investment Report**  
**Unaudited**  
March 31, 2018

ATTACHMENT 5

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
<b>Investments under the direction of the City:</b>							
Local Agency Investment Funds	State of California	1.524%	31-Mar-18	Demand	\$ 3,028,542.26	3,028,542.26	3,028,542.26
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	787,222.89	787,222.89	787,222.89
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Mar-18	Demand	47,936.66	47,936.66	47,936.66
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 3,863,701.81</b>	<b>\$ 3,863,701.81</b>	<b>\$ 3,863,701.81</b>

***I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.***

  
 Virginia Villasenor, Senior Accountant

*Hesperia Water District*  
**Investment Report**  
**Unaudited**  
March 31, 2018

ATTACHMENT 6

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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**Investments under the direction of the City:**

Local Agency Investment Funds	State of California	1.524%	31-Mar-18	Demand	\$ 9,097,808.01	9,097,808.01	9,097,808.01	
Money Market	Bank of the West	0.630%	31-Mar-18	Demand	2,364,835.00	2,364,835.00	2,364,835.00	
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Mar-18	Demand	144,002.78	144,002.78	144,002.78	
<b>Total Unaudited Investments under the direction of the City</b>					<b>\$ 11,606,645.79</b>	<b>\$ 11,606,645.79</b>	<b>\$ 11,606,645.79</b>	

**Investments under the direction of fiscal agents:**

First American Treas - Money Market	US Bank	0.000%	31-Mar-18	Demand	8,895.06	8,895.06	8,895.06	98 A&B - 95453340
First American Treas - Money Market	US Bank	0.000%	31-Mar-18	Demand	32.20	32.20	32.20	98 A&B - 95453341
First American Treas - Money Market	US Bank	0.000%	31-Mar-18	Demand	4,908.74	4,908.74	4,908.74	98 A&B - 95453346
98 A & B Dep w/Trustee - Collateral	Bank of America	n/a	31-Mar-18	Demand	1,880,000.00	1,880,000.00	1,880,000.00	GL 1319
Deposits - Workers' Comp	PERMA	n/a	31-Mar-18	n/a	503,561.67	503,561.67	503,561.67	GL 1352
Deposits w/Other Agencies	Various	n/a	31-Mar-18	n/a	0.00	0.00	0.00	GL 1350
<b>Total Unaudited Investments under the direction of fiscal agents</b>					<b>\$ 2,397,397.67</b>	<b>\$ 2,397,397.67</b>	<b>\$ 2,397,397.67</b>	

**Please Note: All market value data is provided courtesy of the City's fiscal agents  
Bank of New York (BNY) Trust Company and US Bank.**

***I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.***

  
**Virginia Villasenor, Senior Accountant**

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**DATE:** May 15, 2018

**TO:** Chair and Commissioners, Hesperia Community Development Commission

**FROM:** Nils Bentsen, Executive Director

**BY:** Rod Yahnke, Economic Development Manager  
Jennifer M. Shove, Administrative Analyst

**SUBJECT:** Real Property Purchase and Sale Agreement – APN 0410-031-06 Mauna Loa

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### **RECOMMENDED ACTION**

It is recommended that the Hesperia Community Development Commission (HCDC) adopt Resolution No. CDC 2018-05: (i) approving the “Agreement For The Purchase And Sale Of Real Property And Joint Escrow Instructions” (Agreement) for real property located at the southwest corner of Mauna Loa Street and the “G” Avenue Lead Track, Assessor’s Parcel Number 0410-031-06 (Property) by and between Western International Gas (Buyer) and the Hesperia Community Development Commission (Seller); and (ii) authorizing the Executive Director to execute all documents necessary to consummate the transaction.

### **BACKGROUND**

In December 2008 the former Hesperia Community Redevelopment Agency (HCRA) purchased the Property for the construction of the G Avenue Rail Lead Track and for future industrial rail users. Dissolution of all redevelopment agencies throughout California led to the creation of the Hesperia Community Development Commission (HCDC). Certain properties, including this parcel, were approved by the State of California’s Department of Finance to be transferred from the HCRA to the HCDC, on March 9, 2011.

On March 5, 2018 Cushman & Wakefield tendered a Letter of Intent (LOI) from Buyer, a manufacturer of acetylene. The LOI was reviewed in closed session on April 3, 2018 and the HCDC Board authorized the sale of said real property at the proposed terms. On April 30, 2018 Cushman & Wakefield submitted a Purchase and Sale Agreement as well as a standard commission agreement. Both mirrored the LOI terms approved by the Board on April 3, 2018.

The Buyer’s acetylene manufacturing business will employ fifteen people initially and will grow to fifty people within five years. In addition, they will require three rail cars per month and will grow at a similar pace as the jobs. A track agreement will need to be structured with BNSF and will be presented to the Board at a later date.

### **ISSUES**

The sales price was determined to be at fair market value based on an appraisal completed by Smothers Appraisal. Cushman & Wakefield requested a 3% commission to represent the buyer, which is lower than the industry standard of 10%.

This parcel was vetted through the Department of Finance and approved for sale via the Property Management Plan as required during the HCRA dissolution process.

### **FISCAL IMPACT**

The sale price of Three-Hundred Eighty-Three thousand and Three-hundred and Twenty-eight dollars (\$383,328) less commission and closing costs, which will be paid out of sale proceeds at the close of escrow.

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. Resolution No. HCDC 2018-05
2. Purchase & Sale Agreement

## RESOLUTION NO. HCDC 2018-05

**A RESOLUTION OF THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION (HCDC): (I) APPROVING A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (PSA) FOR REAL PROPERTY LOCATED AT MAUNA LOA STREET, ASSESSOR'S PARCEL NUMBER 0410-031-06 (PROPERTY) BY AND BETWEEN WESTERN INTERNATIONAL GAS (BUYER) AND THE HESPERIA COMMUNITY DEVELOPMENT COMMISSION (SELLER); (II) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE PSA AND ALL DOCUMENTS NECESSARY TO CARRY OUT THE INTENT OF THIS RESOLUTION; AND (III) MAKING THE APPROPRIATE FINDINGS HERewith**

**WHEREAS**, the former Hesperia Community Redevelopment Agency purchased the Property in December 2008 for the construction of the G Avenue Rail Lead Track and future industrial rail users; and

**WHEREAS**, dissolution of all redevelopment agencies in California led to the creation of the HCDC and ultimate transfer of Property on March 9, 2011; and

**WHEREAS**, Buyer submitted Letter of Intent on March 5, 2018 expressing interest in purchasing the property; and

**WHEREAS**, the Buyer tendered an offer on April 30, 2018 to purchase the Property from the Seller at fair market value (FMV) as validated by an appraisal conducted by Smothers Appraisal.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY OF HESPERIA COMMUNITY DEVELOPMENT COMMISSION AS FOLLOWS:

- Section 1. The facts set forth above in this Resolution are true and correct.
- Section 2. The PSA for purchase of the Property is hereby approved and the Executive Director is authorized to execute the PSA on behalf of the HCDC.
- Section 3. The Executive Director is hereby authorized to sign all documents necessary and appropriate to carry out the PSA and implement this Resolution; including making minor, non-material amendments to the PSA and/or related documents.
- Section 4. If any section, sentence, clause or phrase of this resolution is determined to be invalid, void or unconstitutional by a decision or order of a court of competent jurisdiction, then such decision or order shall not affect the validity or enforceability of the remaining portions of this resolution, and the HCDC hereby declares that it would have passed the remainder of this resolution if such invalid portion thereof had been declared invalid or unconstitutional.

- Section 6. This activity is not a “project” and therefore exempt from CEQA pursuant to CEQA Guidelines §15060(c)(3).
- Section 7. This Resolution shall go into effect immediately upon its adoption.
- Section 8. The Secretary shall certify to the passage and adoption hereof and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 15<sup>th</sup> day of May, 2018 by the following vote:

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Russ Blewett, Chairman

ATTEST:

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Melinda Sayre, Secretary





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_  
Western International Gas & Cylinders, Inc.

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent Cushman & Wakefield BRE Lic. # 01329963  
Real Estate Broker (Firm)

By \_\_\_\_\_ BRE Lic. # 1758818 Date \_\_\_\_\_  
(Salesperson or Broker-Associate) Matt Davis

#### Agency Disclosure Compliance (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_ Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
Community Development Commission of the

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### DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

Cushman & Wakefield, 4747 Executive Drive, 9th Floor San Diego, CA 92121  
Matthew Davis

Phone: (858)344-4026

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



## CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**2079.15** In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17** (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY) \_\_\_\_\_ is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or

(Name of Selling Agent if not the same as the Listing Agent)

☐ both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23** A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

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Western Mauna



# VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 12/15)

**Date Prepared:** *April 30, 2018*

**1. OFFER:**

- A. THIS IS AN OFFER FROM Western International Gas & Cylinders, Inc. ("Buyer"),  
 B. THE REAL PROPERTY to be acquired is Vacant land located on Manua Loa Street, situated in  
Hesperia (City), San Bernardino (County), California, 92345 (Zip Code), Assessor's Parcel No. 0410-031-06 ("Property").  
 Further Described As An 11 Acre Vacant Land Parcel with Access to the G Ave Rail Spur  
 C. THE PURCHASE PRICE offered is Three Hundred Eighty-Three Thousand, Three Hundred Twenty-Eight  
 Dollars \$ 383,328.00  
 D. CLOSE OF ESCROW shall occur on ☐ \_\_\_\_\_ (date) (or ☒ See Addendum Days After Acceptance).  
 E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

**2. AGENCY:**

**A. DISCLOSURE:** The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).

**B. CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:

**Listing Agent** \_\_\_\_\_ **(Print Firm Name)** is the agent of (check one):

<input checked="" type="checkbox"/> the Seller exclusively; or	<input type="checkbox"/> both the Buyer and Seller.
--	---

Selling Agent Cushman & Wakefield (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.

**C. POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

**3. FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.

**A. INITIAL DEPOSIT:** Deposit shall be in the amount of ..... \$ **10,000.00**

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other \_\_\_\_\_ within 3 business days after Acceptance (or \_\_\_\_\_);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or \_\_\_\_\_), to the agent submitting the offer (or to \_\_\_\_\_), made payable to \_\_\_\_\_. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or \_\_\_\_\_). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

**B. INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of . . . \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance (or \_\_\_\_\_).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

C. ☒ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☒ Buyer shall, within 3 (or \_\_\_\_\_) Days After Acceptance, Deliver to Seller such verification.

**D. LOAN(S):**

(1) **FIRST LOAN:** in the amount of ..... \$

This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_% or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_%. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_% of the loan amount.

(2) ☐ **SECOND LOAN** in the amount of ..... \$

This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to exceed \_\_\_\_\_ % or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_\_ %. Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_\_ % of the loan amount.

(3) **FHAVA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or     ) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

**E. ADDITIONAL FINANCING TERMS:**

Buyer's Initials ( ) ( )  
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**Seller's Initials (                      ) (                      )**



**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 1 OF 11)**

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## Western Maunabo

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F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of \$ 373,328.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. **PURCHASE PRICE (TOTAL):** \$ 383,328.00

H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or     ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. ( ☐ Verification attached.)

I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or     ) Days After Acceptance.

J. **LOAN TERMS:**

(1) **LOAN APPLICATIONS:** Within 3 (or     ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. ( ☐ Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) **LOAN CONTINGENCY REMOVAL:**

Within 21 (or     ) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. **SELLER FINANCING:** The following terms (or ☐ the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) **BUYER'S CREDIT-WORTHINESS:** Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or     ) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) **TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or     ) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) **ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. **ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

Buyer's Initials (      ) (      )

Seller's Initials (      ) (      )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)

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**4. SALE OF BUYER'S PROPERTY:**

- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ☐ **MANUFACTURED HOME PURCHASE:** The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).

6. ☐ **CONSTRUCTION LOAN FINANCING:** The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or ☐ this contingency shall remain in effect until Close Of Escrow of the Property).

**7. ADDENDA AND ADVISORIES:****A. ADDENDA:**

- ☒ Addendum # 1 (C.A.R. Form ADM)
- ☐ Back Up Offer Addendum (C.A.R. Form BUO) ☐ Court Confirmation Addendum (C.A.R. Form CCA)
- ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
- ☐ Short Sale Addendum (C.A.R. Form SSA) ☐ Other

**B. BUYER AND SELLER ADVISORIES:**

- ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)
- ☐ Probate Advisory (C.A.R. Form PA) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- ☐ Trust Advisory (C.A.R. Form TA) ☐ REO Advisory (C.A.R. Form REO)
- ☐ Short Sale Information and Advisory (C.A.R. Form SSIA) ☐ Other

**8. OTHER TERMS:****9. ALLOCATION OF COSTS**

- A. INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

- (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: \_\_\_\_\_ prepared by Disclosure Source
- (2) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_
- (3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

**B. ESCROW AND TITLE:**

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee SPLIT COSTS 50/50
- (b) Escrow Holder shall be Commonwealth Land Title/Lawyers Title - Joy Eaton
- (c) The Parties shall, within 5 (or \_\_\_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 18E
- (b) Owner's title policy to be issued by Commonwealth Land Title/Lawyers Title - William Shebesta
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**C. OTHER COSTS:**

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee \_\_\_\_\_
- (2) ☐ Buyer ☒ Seller shall pay City transfer tax or fee \_\_\_\_\_
- (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_
- (4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer to pay for any HOA certification fee.
- (6) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee \_\_\_\_\_
- (8) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_
- (9) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_

- 10. CLOSING AND POSSESSION:** Possession shall be delivered to Buyer: (i) ☒ at 6 PM or (\_\_\_\_\_) ☐ AM/ ☐ PM on the date of Close Of Escrow; (ii) ☐ no later than \_\_\_\_\_ calendar days after Close Of Escrow; or (iii) ☐ at \_\_\_\_\_ ☐ AM/ ☐ PM on \_\_\_\_\_. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

- A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in 11B or C.

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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**B. ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;  
 (2) The following items: N/A

- (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.  
 (4) All items included shall be transferred free of liens and without Seller warranty.

**C. ITEMS EXCLUDED FROM SALE:****12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:**

- A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**  
 (1) **SELLER HAS:** 7 (or     ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).  
 (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or     ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

**13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:**

- A.** Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
- (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
  - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
  - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
  - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
  - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
  - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
  - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
  - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
  - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
  - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
  - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
  - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
  - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
  - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. ☐ TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's Initials (          ) (          )Seller's Initials (          ) (          )

- D. MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 15. CHANGES DURING ESCROW:**
- A.** Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B.** At least 7 (or \_\_\_\_ ) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or \_\_\_\_ ) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A.** Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B.** Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C.** Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B.** Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C.** **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
- D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
- E. SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- G. UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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- H. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. **COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. **SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. **MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.
- 18. TITLE AND VESTING:**
- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).
- A. **SELLER HAS:** 7 (or 5) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) **BUYER HAS:** 17 (or 120) Days After Acceptance, unless otherwise agreed in writing, to:
- (i) complete all Buyer Investigations: review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
- (2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
- (3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has 5 (or     ) Days After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials (            ) (            )Seller's Initials (            ) (            )

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- (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).
- C. SELLER RIGHT TO CANCEL:**
- (1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- D. NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2(or \_\_\_\_ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.
- E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
- F. CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_\_ ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.
- G. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).
- 20. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 21. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_\_ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 22. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.

**24. BROKERS:**

- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 25. REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Addendum (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_\_\_) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.**
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.**
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.**
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.**
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.**

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )





**27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

**28. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 28C.**

- B. **ARBITRATION OF DISPUTES:** The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

**29. SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

**30. MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 9 OF 11)**Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

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Date: April 30, 2018

- ☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

**Seller's Initials** (      ) (      )



Property Address: Vacant land located on Manua Loa Street, Hesperia, CA 92345

Date: April 30, 2018

**38. ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: \_\_\_\_\_

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 03/15/2018 SELLER \_\_\_\_\_

(Print name) Community Development Commission of the City of Hesperia

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  
(Initials) ☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

#### REAL ESTATE BROKERS:

**A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.**

**B. Agency relationships are confirmed as stated in paragraph 2.**

**C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.**

**D. COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Cushman & Wakefield CalBRE Lic. # 01329963  
By Matt Davis CalBRE Lic. # 1758818 Date \_\_\_\_\_  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address 4747 Executive Drive, 9th Floor City San Diego State CA Zip 92121  
Telephone (858)334-4026 Fax \_\_\_\_\_ E-mail matt.davis@cushwake.com  
Real Estate Broker (Listing Firm) \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

#### ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_

\_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

**PRESENTATION OF OFFER:** (\_\_\_\_\_) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials \_\_\_\_\_

**REJECTION OF OFFER:** (\_\_\_\_\_) (\_\_\_\_\_) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

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Buyer's Acknowledge that page 11 is part of  
this Agreement (\_\_\_\_\_) (\_\_\_\_\_)

Reviewed by  
Broker or Designee \_\_\_\_\_



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**VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 11 OF 11)**

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## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: Vacant land located on Manua Loa Street, Hesperia, CA 92345

("Property").

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

**By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.**

Buyer

Western International Gas & Cylinders, Inc.

Buyer

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



BIA REVISED 11/14 (PAGE 1 OF 1)

BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)

Cushman & Wakefield, 4747 Executive Drive, 9th Floor San Diego, CA 92121  
Matthew Davis

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Phone: (858)344-4026

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Western Mauna



# POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller \_\_\_\_\_ *Community Development Commission of the City* Date \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Buyer \_\_\_\_\_ *Western International Gas & Cylinders, Inc.* Date \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Firm) \_\_\_\_\_ CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_ CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Firm) *Cushman & Wakefield* CalBRE Lic # *01329963* Date \_\_\_\_\_

By \_\_\_\_\_ CalBRE Lic # *1758818* Date \_\_\_\_\_

*Matt Davis*

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



PRBS 11/14 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

Cushman & Wakefield, 4747 Executive Drive, 9th Floor San Diego, CA 92121  
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Western Mauna

**ADDENDUM TO VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS  
(C.A.R. FORM VLPA, Revised 12/15)**

THIS ADDENDUM TO VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Addendum"), dated April \_\_\_\_, 2018, is an addendum, modification, and amendment to that certain VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS, of even date with this Addendum (C.A.R. FORM VLPA, REVISED 12/15) (the "Form Agreement"), by and between WESTERN INTERNATIONAL GAS & CYLINDERS, INC., a Texas corporation ("Buyer") and COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HESPERIA ("Seller") for the real property commonly known as an eleven (11) acre vacant land parcel on Mauna Loa Street, Hesperia, California (the "Property"), as more particularly described in the Form Agreement. In the event of any conflict between the provisions of this Addendum and the provisions of the Form Agreement, the provisions of this Addendum shall prevail. Collectively, the Form Agreement and this Addendum shall be known as the "Agreement", and all capitalized terms used in this Addendum shall have the meanings set forth in the Form Agreement.

1. **Representations and Warranties of Seller.** Seller represents and warrants that as of the date of this Agreement and as of the Close of Escrow:

(i) The persons executing this Agreement on Seller's behalf are authorized to do so and this Agreement shall be valid and binding upon and enforceable against Seller in accordance with the terms and conditions set forth herein.

(ii) Neither the execution of this Agreement nor the consummation by Seller of the transaction contemplated hereby will (A) conflict with or result in a breach or default of any agreement or instrument to which Seller is a party or (B) result in the creation of any lien, charge or encumbrance upon the Property or any part thereof.

(iii) No taking by power of eminent domain or condemnation proceeding has been instituted or, to Seller's knowledge, threatened for the permanent or temporary taking or condemnation (or private purchase in lieu thereof) of all or any portion of the Property.

(iv) No legal or administrative proceeding is pending or, to Seller's knowledge, threatened which could affect the Property or Seller's right to sell the Property, or if determined adversely, would individually or in the aggregate materially and adversely affect Seller's ability to perform its obligations in this Agreement.

(v) No person or entity constituting Seller has commenced a voluntary case, consented to the entry of an order for relief against it in an involuntary case, or consented to the appointment of a custodian for it or for all or a substantial part of its property, nor has a court of competent jurisdiction entered an order or decree under any bankruptcy or insolvency law that is for relief against Seller in an involuntary case or that appoints a custodian for Seller or for all or any substantial part of its property.

(vi) Notwithstanding anything stated to the contrary in Section 13(B) of the Form Agreement, there are no leases, rental agreements, service contracts or other related agreements, licenses, or permits pertaining to the operation, use or right to possess any portion of the Property as of the date hereof. Notwithstanding anything stated in Section 16 of the Form Agreement to the contrary, Seller shall not enter into any lease, license or contract affecting the Property prior to the Close of Escrow.

(vii) Seller has not granted to any party any option, rights of first refusal, license or other similar agreement with respect to a purchase or sale of the Property or any portion thereof or any interest therein. There will be no unrecorded agreements affecting the Property as of Close of Escrow.



(viii) Except as disclosed in (iii) above, Seller has not received any written notification from any governmental authority or quasi-governmental authority having jurisdiction over the Property (each, a "**Governmental Authority**") that (i) the Property (or any part thereof) is in violation of any law, ordinance, rule, order, regulation or requirement affecting the Property or any part thereof, including, without limitation, those pertaining to zoning, building or environmental matters, or (ii) work is required to be performed upon or in connection with the Property.

(ix) There are no pending tax appeals with respect to the Property.

The foregoing representations and covenants shall survive Close of Escrow for one year.

2. **Delivery Items.** In addition to the items specified in Sections 13 of the Form Agreement, Seller shall deliver the items set forth in the diligence list attached to this Addendum as Exhibit B to Buyer within three (3) business days after the full execution and delivery of the Agreement (to the extent that the same exist and are in the possession or control of Seller).

3. **Buyer's Entry and Inspection; Invasive Testing and Indemnity.**

(i) Notwithstanding anything to the contrary contained in Section 17(A) of the Form Agreement, until the expiration of the Feasibility Period (and thereafter if Buyer has sent Seller its Notice to Proceed), Buyer and its representatives (including, without limitation, any architects, engineers, surveyors, attorneys, consultants, investors and lenders) shall have the right to enter upon the Property for the purpose of conducting any due diligence reasonably related to the purchase of the Property (including, but not limited to, conducting interviews with tenants and on-site property management personnel (if applicable), reviewing files related to the Property, and conducting legal (title, survey and zoning, including, but not limited to, searching governmental records for notices of zoning compliance and building, environmental or other legal violations and to request a customary zoning letter), engineering and environmental due diligence on the Property (including, but not limited to, a Phase I Environmental Site Assessment)). Buyer shall notify Seller in writing at least twenty-four (24) hours prior to the date that such testing, inspections or interviews are to be conducted on the Property (and Seller shall have the right to be present at such interviews) and provide evidence, reasonably satisfactory to Seller, of the availability of adequate public liability and other insurance, which insurance shall name Seller as an additional insured. In the event that the results of the Phase I Environmental Site Assessment support the completion of a Phase II environmental study or Buyer's environmental consultant otherwise reasonably recommends it, Buyer shall notify Seller in writing. If Seller does not grant Buyer permission to complete the Phase II environmental study within five (5) days of its receipt of notice from Buyer, the Agreement shall automatically terminate and the Deposit plus accrued interest (if any) shall be returned to Buyer and neither party shall have any further liability to the other under the Agreement (except for indemnity obligations of Buyer to Seller under this Agreement which shall survive termination of this Agreement).

(ii) Notwithstanding the provisions of Section 17(C) of the Form Agreement or of this Addendum, Buyer shall have no obligation to repair any damage to the extent caused by Seller's negligence or misconduct, to remediate, contain, abate or control any Hazardous Materials not placed on the Property by Buyer or its consultants, or to repair or restore any latent condition discovered by Buyer or its consultants (as long as Buyer or its consultants take reasonable steps not to exacerbate such condition once discovered by Buyer), and notwithstanding anything to the contrary contained in Section 17(C) of the Form Agreement, Buyer shall only be responsible for liens arising from Buyer's Investigations and shall have no liability for the mere discovery of any pre-existing condition at the Property.

4. **Title.** Notwithstanding anything to the contrary contained in Section 18 of the Form Agreement, as a condition to Close of Escrow in favor of Buyer, Commonwealth Land Title Insurance Company (in its capacity as title insurer, the "**Title Company**") shall have unconditionally and irrevocably (subject, however, only to the deliveries at Close of Escrow to the Title Company required hereunder) committed to insure Buyer as the fee owner of the Property effective upon the Closing by issuance of an ALTA Form 2006 extended coverage owner's title insurance policy in an amount not less than the Purchase Price

(collectively, the “**Owner’s Policy**”) and in the standard form issued by the Title Company in the State of California, subject only to title exceptions approved by Buyer in writing prior to the expiration of the Feasibility Period (as defined below), in the form and containing the endorsements that Title Company agreed to issue within such period. Seller shall execute and deliver at Close of Escrow an owner’s affidavit, gap and mechanics’ lien indemnity in the form required by the Title Company, and deliver such other instruments and evidence of Seller’s authority to sell the Property as is required by the Title Company to issue the Owner’s Policy.

5. **Feasibility Period.** Notwithstanding anything stated to the contrary in Section 19(B) of the Form Agreement, Buyer shall have until 5:00 P.M. California time on the 120<sup>th</sup> day following the day the Form Agreement is signed and dated by Seller and delivered to Buyer (the “**Feasibility Period**”) to satisfy itself with all items set forth in Sections 17 and 18 of the Form Agreement (as modified by this Addendum) and with regards to title and survey matters, zoning, building codes, geologic, seismic, physical condition, environmental condition and all other aspects of the Property (except for suitability regarding Buyer’s intended use and development of the Property as referenced below in Section 6 of this Addendum), in its sole and absolute discretion. Buyer may terminate the Agreement and cancel the escrow in its sole and absolute discretion by notifying Seller and Escrow Holder in writing prior to the end of the Feasibility Period. Notwithstanding anything to the contrary contained in Section 19 of the Form Agreement, if Buyer approves of the Property (subject to the Entitlement Period (defined below) provisions in Section 6 below), Buyer shall send an approval notice to Seller on or before the end of the Feasibility Period approving the matters set forth in Section 17(A), (B), (H) though (K), and (M) and Section 5 of this Addendum (“**Notice to Proceed**”). If Buyer fails to deliver a Notice to Proceed to Seller on or before the end of the Feasibility Period for any reason whatsoever, the Agreement shall automatically terminate and the Deposit plus accrued interest (if any) shall be returned to Buyer and neither party shall have any further liability to the other under the Agreement (except for indemnity obligations of Buyer to Seller under this Agreement which shall survive termination of this Agreement).

6. **Entitlement Period.** Notwithstanding anything stated to the contrary in Section 17 of the Form Agreement or Section 5 of this Addendum, Buyer shall have until 5:00 P.M. California time on the 210<sup>th</sup> day following Buyer’s delivery to Seller of the Notice to Proceed (the “**Entitlement Period**”) to satisfy itself with all items set forth in Section 17(E) through (G), (L), (N) and (O), suitability regarding Buyer’s intended use and development of the Property, and to obtain approval for the desired entitlements for the Property (including, but not limited to, obtaining approval from the City of Hesperia for the same) (collectively, the “**Entitlements**”), in its sole and absolute discretion. Notwithstanding anything to the contrary contained in Section 19 of the Form Agreement, if Buyer approves of the Entitlements, Buyer shall send an approval notice to Seller on or before the end of the Entitlement Period approving the Entitlements (the “**Entitlement Approval Notice**”), and the Close of Escrow shall occur on the first business day that is thirty (30) days after the date of the Entitlement Approval Notice. If Buyer fails to deliver the Entitlement Approval Notice to Seller (or Buyer sends a written notice to Seller disapproving the Entitlements) on or before the end of the Entitlement Period, the Agreement shall automatically terminate and the Deposit plus accrued interest (if any), plus any Extension Payment then held in escrow (if applicable), shall be tendered by the Escrow Holder to Seller and neither party shall have any further liability to the other under the Agreement (except for indemnity obligations of Buyer to Seller under this Agreement which shall survive termination of this Agreement). Notwithstanding anything stated to the contrary in this Section 6, if Buyer has not received the Entitlements acceptable to it in its sole discretion on or before the date that is five (5) days prior to the expiration of the Entitlement Period, Buyer shall have the right to extend the Entitlement Period twice, up to ninety (90) days for each extension period (each 90-day period, an “**Extension Period**”), by depositing an amount equal to \$5,000.00 (the “**Extension Payment**”) for each extension exercised by Buyer hereunder, no later than five (5) calendar days prior to the expiration of the Entitlement Period (as the same may be extended from time to time). Each Extension Payment made by Buyer shall be non-refundable, except in the event of a Seller default or a failed condition precedent to Buyer’s obligation to purchase the Property under the Form Agreement (as modified by this Addendum), and shall be applied to the Purchase Price.

7. **Independent Consideration.** A portion of the Deposit deposited by Buyer in the amount of One Hundred Dollars and No/100 (\$100) (the “**Independent Consideration**”) shall be earned by Seller upon execution and delivery of this Agreement by Seller and Buyer. The Independent Consideration represents adequate bargained for consideration for Seller’s execution and delivery of this Agreement and Buyer’s right to have inspected the Property pursuant to the terms hereof. The Independent Consideration is in addition to and independent of any other consideration or payment provided for herein and is nonrefundable in all events. Upon the Close of Escrow, or earlier termination of this Agreement, the Independent Consideration shall be paid to Seller.

8. **Casualty/Condemnation.** In the event that all or any portion of the Property is damaged or destroyed by any casualty or is the subject of a taking or condemnation under the provisions of eminent domain law after the date hereof but prior to the Close of Escrow, Seller shall have no obligation to repair or replace any damage or destruction caused by the foregoing, but the following shall apply at the Closing: (1) in the event of a casualty, Buyer shall receive a credit against the Purchase Price at Closing for the reasonably estimated remaining cost to restore the Property to its condition immediately prior to such casualty; and (2) in the event of a taking, Seller shall assign to Buyer its rights to any condemnation proceeds resulting from such taking. Notwithstanding the foregoing, if such casualty or taking is a “Material Event” (as defined below), then Buyer, at its option, may terminate this Agreement by written notice to Seller given on or before the Closing Date, and upon such termination, the Deposit shall be returned to Buyer and the parties shall have no further liability or obligation hereunder. As used in this Section, a “**Material Event**” means either of the following: (a) a casualty resulting in damage or destruction to the Property, if the cost to restore the Property to its condition immediately prior to such casualty is reasonably estimated to exceed \$25,000.00; or (b) a taking or condemnation which would impede access to the Property or materially affect the intended development of the Property by Buyer pursuant to the Entitlements, or result in a condemnation award reasonably estimated to exceed \$25,000.00.

9. **Conditions to Closing.** In addition to the conditions provided in other provisions of the Agreement, Buyer’s obligations to perform its undertakings provided in this Agreement (including its obligation to purchase the Property) the following are additional conditions that are precedent to Buyer’s obligation to purchase the Property (the “**Conditions Precedent**”):

(i) The Title Company shall be unconditionally and irrevocably committed to issue to Buyer the Owner’s Policy, subject to the provisions of Section 4 of this Addendum.

(ii) All of Seller’s representations and warranties contained in or made pursuant to the Agreement shall have been true and correct when made and shall be true and correct in all material respects as of the Closing.

(iii) Seller shall have, in all material respects, performed all covenants and obligations required by the Agreement to be performed or complied with by Seller on or before the Closing.

(iv) Buyer has received authorization to proceed with the Closing in accordance with all applicable corporate governance requirements of Buyer and its sole shareholder.

These Conditions Precedent are solely for the benefit of Buyer and can only be waived by Buyer by an instrument in writing. In the event the sale of the Property is not consummated because of the non-satisfaction and non-waiver of Conditions Precedent (i)-(iii), the Deposit (and any Extension Payments made by Buyer) shall immediately be returned to Buyer and Buyer and Seller shall split equally any cancellation fees and costs of the Title Company and Escrow Holder. In the event the sale of the Property is not consummated because of the non-satisfaction and non-waiver of Condition Precedent (iv), the Deposit (and any Extension Payments made by Buyer) shall be deemed forfeited by Buyer and immediately dispersed to Seller and Buyer and Seller shall split equally any cancellation fees and costs of the Title Company and Escrow Holder.

10. **Assignment.** Notwithstanding anything stated to the contrary set forth in Section 32 of the Form Agreement, Buyer may assign its rights under this Agreement to an entity in which Buyer or any of its principals has a direct or indirect ownership interest, without the consent of Seller, provided that Buyer provides Seller with an assumption by such assignee of all of Buyer's rights and obligations under this Agreement accruing from and after the date of such assignment.

11. **Legal Description.** The Property is more particularly described in Exhibit A attached hereto and made a part hereof.

12. **Documents Required at or Before Closing.** Notwithstanding anything stated to the contrary in the Form Agreement, (i) Buyer and Seller shall use their commercially reasonable efforts to agree upon the forms of Grant Deed and the other requisite and customary closing documents prior to the end of the Feasibility Period, and (ii) Buyer and Seller hereby agree to deliver such other documents as are reasonably required by Title Company and/or Escrow Holder for the consummation of the transaction contemplated by this Agreement.

13. **Seller Default.** In the event the sale of the Property is not consummated because of a default under the Agreement on the part of Seller, Buyer may either (1) terminate the Agreement by delivery of notice of termination to Seller, whereupon (A) Buyer's Deposit (and any Extension Payment made by Buyer) plus interest accrued thereon shall be immediately returned to Buyer, and (B) Seller shall pay to Buyer any title, escrow, legal and inspection fees incurred by Buyer and any other expenses incurred by Buyer in connection with the performance of its due diligence review of the Property, including, without limitation, environmental and engineering consultants' fees, and neither party shall have any further rights or obligations hereunder, up to an amount not to exceed \$50,000.00, or (2) continue the Agreement pending Buyer's action for specific performance.

14. **Buyer Default.** Paragraph 27 of the Agreement is hereby deleted in its entirety and replaced with the following:

27. **LIQUIDATED DAMAGES. (This Liquidated Damages section is applicable only if initialed by both Parties).**

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT (INCLUDING THE CONDITIONS PRECEDENT), BUYER FAILS TO PURCHASE THE PROPERTY WHEN IT IS OBLIGATED TO DO SO UNDER THE TERMS OF THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$10,000.00, PLUS THE AMOUNT OF ANY EXTENSION PAYMENTS MADE BY BUYER. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

Buyer Initials

Seller Initials

15. **Confidentiality.** All of the terms and conditions of the Agreement (including the identity of Buyer and the existence of the Agreement) are confidential, and Seller shall not disclose such terms and conditions or the existence of the Agreement to anyone outside Seller other than to Seller's legal counsel and other agents and representatives who need to know such information in connection with the acquisition. Buyer may disclose the Agreement's terms and conditions and the existence of the Agreement (a) to its affiliates and its legal counsel and other agents and representatives, including prospective partners and lenders, and (b) as required by law, including without limitation, any disclosure

required by the United States Securities and Exchange Commission. Neither Seller nor Buyer shall issue any press release with respect to Buyer's acquisition of the Property or the terms of the Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld.

16. **Delivery of Purchase Price for Closing.** Notwithstanding anything stated to the contrary contained in the Agreement, provided that all of the Conditions Precedent have been satisfied (and/or waived by Buyer), Buyer shall deliver to Escrow Holder the Purchase Price, subject to the adjustments and prorations provided for under this Agreement, by direct deposit or by wire transfer of funds actually made in Escrow Holder's depository bank account by 12:00 P.M. California on the Closing Date.

17. **Buyer's Due Diligence Work Product.** Notwithstanding anything stated to the contrary in Section 17(B)(ii) of the Form Agreement, in the event the sale of the Property is not consummated for any reason other than Seller's breach or default, then, upon the written request of Seller, Buyer shall promptly deliver to Seller copies of the written results of any third-party inspections, tests, studies and/or investigations obtained by Buyer in connection with Buyer's due diligence, excluding any internal analyses or communications, drafts, attorney-client privileged communications, appraisals, evaluations, or internally generated work product. Notwithstanding the delivery of such written results, Seller acknowledges the same shall be provided without any representation or warranty as to their completeness or accuracy and that Seller shall not be entitled to rely upon the same, and subject to any confidentiality provisions set forth therein; provided, however, that Buyer shall not be required to deliver any such reports if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

18. **Seller Contingency.** Buyer hereby acknowledges and agrees that Seller's obligation to sell the Property pursuant to the terms and conditions of the Agreement is contingent upon Seller's receipt of the approval by the City of Hesperia City Council (the "**City Council**") within ten (10) days after the execution and delivery of this Agreement by Buyer and Seller. If Seller does not provide Buyer with written notice of City Council's approval for Seller to proceed with the transaction within ten (10) days after the execution and delivery of this Agreement by Buyer and Seller, then this Agreement shall automatically terminate and the Deposit plus accrued interest (if any) shall be returned to Buyer and neither party shall have any further liability to the other under the Agreement (except for indemnity obligations of Buyer to Seller under this Agreement which shall survive termination of this Agreement).

19. **Brokerage Commission.** Seller and Buyer hereby agree that each party shall pay one-half of the brokerage commission to Cushman & Wakefield (the total brokerage commission shall be equal to 3.00% of the purchase price).

20. **Counterparts.** This Addendum and the Agreement may be signed in multiple counterparts, all of which, when taken together, shall constitute a single, binding Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date written above.

<b>SELLER:</b>  COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HESPERIA  By: _____ Name: _____ Title: _____	<b>BUYER:</b>  WESTERN INTERNATIONAL GAS & CYLINDERS, INC., a Texas corporation  By: _____ Name: _____ Title: _____
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EXHIBIT A  
Legal Description

EXHIBIT B  
Due Diligence Information

CC&R's/REA's if applicable  
Existing ALTA Survey  
Preliminary Title Report, plus underlying documents

Engineering/Property Condition Reports  
Geotechnical/Soils Report  
Seismic Report, if applicable  
Existing Environmental Report(s) - Phase I, Phase II, etc.  
Governmental Permits, Notices, Reports, Citations, Compliance / Non-Compliance & Correspondence  
Documents from any Governmental authority pertaining to the property  
Recent Inspection Reports (fire department, building inspections, zoning, if applicable)

Other Agreements  
Service/Maintenance Contracts  
Vendor Contact List

Real Estate Tax Bills (previous two years)  
History of Tax Protests, if any (including original and final valuations)  
Pending Tax Protests, if any

Seller's Issuance of Insurance Claims or Letter Stating None

Approvals, Site Plan, Zoning, Development and Other Agency (Historical, Traffic, etc.)  
Permits (grading, foundation, building, etc.)

Other information reasonably requested by Buyer



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**DATE:** May 15, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Michael Blay, Assistant City Manager

**SUBJECT:** Tentative Tract 16676

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## RECOMMENDED ACTION

It is recommended that the City Council approve a workout agreement between the City of Hesperia and Ozel Developing Inc. for street improvements in Tentative Tract 16676 and allow the City Manager to execute said workout agreement.

## BACKGROUND

In August 2004 certain conditions of approval were set for Tentative Tract 16676 in the development of 1039 lots on 241 gross acres. One of the conditions required the developer to construct street improvements on Muscatel Street from the project to Mariposa Rd. by the completion of the 500<sup>th</sup> unit. Market conditions occurred during the great recession which strained the project financially and the street was never constructed. Subsequently, the original developer declared bankruptcy and the remaining lots were sold.

Ozel Developing Inc. is a small residential builder owning thirty six (36) lots within Tentative Tract 16676. The developer and the City have negotiated a financial settlement, subject to Council approval, that will require this developer to pay a fee above Development Impact Fees in exchange for the original developer not completing the required road construction.

## ISSUES/ANALYSIS

There are approximately 186 empty lots remaining within Tentative Tract 16676. To facilitate tract build-out, staff recognizes that requiring the new owners of the lots to construct Muscatel Street entirely by themselves would likely result in the lots remaining undeveloped. Because these lots are visually unappealing, build out would be beneficial to involved stakeholders, including the neighborhood, the lot owners, and the City.

In lieu of completing street improvements on Muscatel Street, Ozel Developing Inc. has agreed to pay the City \$1,250 per lot at the time a certificate of occupancy is issued. This payment would be in addition to the regular Development Impact Fees collected when the homes are built. Ozel Developing Inc. owns 3.4% of the total number of lots within this tract. The amount collected would constitute the "fair share" contribution of these lots toward the construction of the street improvements.

### **FISCAL IMPACT**

This workout agreement will provide the City with \$45,000 in revenue when the 36 lots are developed. Additional funding will be necessary in order to complete the Muscatel Street improvements.

### **ALTERNATIVE(S)**

1. Provide alternate direction to staff.

### **ATTACHMENT(S)**

1. Workout Agreement

## ATTACHMENT 1

### WORKOUT AGREEMENT

This Workout Agreement (“**Agreement**”) is made as of March 8, 2018, by and between the City of Hesperia, a municipal corporation of the State of California and the County of San Bernardino, (“**City**”), and Abraham Tekin – Ozel Developing Inc., a Corporation (“**Developer**”) (collectively, the “**Parties**”).

### R E C I T A L S

A. Developer is the owner of that certain property described in **Exhibit A** (“**Property**”) and subject to Tentative Tract TT-16676 (“**Project**”) and the Project conditions (“**Project Conditions**”), which were approved by the City in 2004, together with a Project related Memorandum of Understanding and two amendments thereto (“**MOU**”).

B. The Project Conditions and MOU require off-site improvements to be completed. Condition No. 43 in the Project Conditions requires street improvements extending Muscatel Street from the Project to Mariposa Road (“**Muscatel Extension**”). The off-site road construction is necessary to accommodate Project traffic distribution as shown in the Project Traffic Impact Analysis dated April 29, 2004, Figures 9, Project Traffic Distribution, and 10, Project Average Daily Traffic Volumes. The Muscatel Extension requirement states as follows:

Prior to the occupancy of the 500<sup>th</sup> unit developer shall acquire right-of way (if necessary) and construct Muscatel Street from the present end of pavement westward to connect to Mariposa Avenue. Roadway shall be a minimum of 26 feet wide with graded shoulders for drainage. Culvert over wash shall be constructed with 100-year capacity to ultimate width of roadway. Appropriate horizontal and vertical alignments and road sections shall be provided subject to the approval of the City Engineer. Improvement Plans for Muscatel Street Extension may be submitted separately from other street plans.

C. Project proponents and Developer have not constructed the Muscatel Extension. The Muscatel Extension requirement remains unsatisfied.

D. City and Developer wish to avoid the disruption, inconvenience, uncertainty and costs associated with continued claims, disputes, or litigation arising out of or related to the unsatisfied Muscatel Extension requirement, and desire to resolve all related current and future claims on the following terms.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties herein contained, the Parties agree as follows:

1. Consideration.

(a) In lieu of Developer’s requirement to construct the Muscatel Extension and in consideration for the subsequent removal of the Muscatel Extension from the Project

Conditions, Developer shall pay to the City (by checks made payable to the order of the "CITY OF HESPERIA"), a total sum ("**Settlement Proceeds**") of Forty Five Thousand Dollars (\$45,000.00), based upon the Property consisting of 36 lots in the Project (i.e., \$1,250 per lot in the Project). The Settlement Proceeds paid to the City shall be in full consideration and settlement of any and all claims related to the Muscatel Extension by any party herein. Said Settlement Proceeds constitute a full and complete satisfaction by Developer of the requirement to construct the Muscatel Extension. The Settlement Proceeds shall be paid no later than Certificate of Occupancy for each home.

(b) The City acknowledges and agrees that the Settlement Proceeds are being paid to City as full and complete satisfaction of the Muscatel Extension requirement, and City hereby assumes full responsibility for the Muscatel Extension, including, without limitation, all obligations with respect to planning, construction, and maintenance; provided, however, that nothing in the Agreement shall be construed to relieve the Developer from any ongoing annual assessments or taxes affecting the Project.

(c) Conditioned by the Developer's payment of the Settlement Proceeds, the Muscatel Extension is hereby removed from the Project Conditions. The City agrees not to re-impose the Muscatel Extension, or any other condition exaction, regulation, impact fee, or any other requirement or standard of any kind or nature upon the Project related to the Muscatel Extension, or withhold issuance of any approval in connection with the Project based in any way upon any matter of any kind or nature related to the Muscatel Extension or in any other manner concerning, regarding or involving the subject matter of the Muscatel Extension.

## 2. Limited Release.

(a) By City. For valuable consideration, the receipt and adequacy of which are hereby acknowledged, except with respect to Developer's obligation to pay the Settlement Proceeds, City, on behalf of itself and all parties claiming by, through or under the City (collectively, the "**City Releasing Parties**") does hereby release and forever discharge Developer, and its members, officers, directors, employees, affiliates, agents, successors, assigns, predecessors, representatives, principals, insurers, attorneys, contractors and all persons, firms, associations and/or entities in any way connected with them (collectively, the "**Developer Released Parties**") of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expenses, of any nature whatsoever, known or unknown, fixed or contingent ("**Claims**"), which the City Releasing Parties now have, had, or may hereafter have or claim to have against the Developer Released Parties, arising out of, based upon, or relating to the Muscatel Extension.

Developer Released Parties hereby acknowledge and agree that, except as expressly set forth in this Agreement the above described limited release does not in any way affect, alter or impair the City Releasing Parties' other rights and remedies regarding the Property, Project, Project Conditions, MOU, or otherwise, all of which the City Releasing Parties hereby expressly reserve.

(b) By Developer. For valuable consideration, the receipt and adequacy of which are hereby acknowledged, except with respect to claims to enforce the terms of this Agreement, Developer, on behalf of itself and all parties claiming by, through or under the Developer (collectively, the "**Developer Releasing Parties**") does hereby release and forever discharge City, and its members, officers, directors, employees, affiliates, agents, successors, assigns, predecessors, representatives, principals, insurers, attorneys, contractors and all persons, firms, associations and/or entities in any way connected with them (collectively, the "**City Released Parties**") of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expenses, of any nature whatsoever, known or unknown, fixed or contingent ("**Claims**"), which the Developer Releasing Parties now have, had, or may hereafter have or claim to have against the City Released Parties, arising out of, based upon, or relating to the Muscatel Extension.

The City Released Parties hereby acknowledge and agree that, except as expressly set forth in this Agreement, the above-described limited release does not in any way affect, alter or impair City Released Parties' other rights and remedies regarding the Property, Project, Project Conditions, MOU, or otherwise, all of which the Developer Releasing Parties hereby expressly reserve.

3. Discovery of Different or Additional Facts. The Parties acknowledge that they may hereafter discover facts different from or in addition to those that they now know or believe to be true with respect to the claims, demands, causes of action, obligations, damages, and liabilities of any nature whatsoever that are the subject of the releases set forth in Section 2 of this Agreement, and expressly agree to assume the risk of the possible discovery of additional or different facts, and the Parties agree that this Agreement shall be and remain effective in all respects regardless of such additional or different facts.

4. No Third Party Beneficiaries. The only parties to this Agreement are Developer and City. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever except for the Developer Released Parties and City Released Parties.

5. Waiver of California Civil Code Section 1542. Further, the Parties expressly agree to waive and relinquish all rights and benefits they may have against each other under Section 2 of this Agreement based on Section 1542 of the Civil Code of the State of California. That section reads as follows:

**"Section 1542. [General release; extent.] A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

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City's Initials

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Developer's Initials

6. Notice.

- (a) All notices to City shall be sent to the following address:

City Manager  
City of Hesperia  
9700 Seventh Avenue  
Hesperia, CA 92345

With a copy to:

Aleshire & Wynder, LLP  
3880 Lemon Street, Suite 520  
Riverside, CA 92501  
Attn: Eric L. Dunn, Esq.

- (b) All notices to Developer shall be sent to the following address:

Ozell Developing Inc.  
12200 Amargosa Rd.  
Victorville, CA 92392  
Attn: Abraham Tekin

All notices herein required shall be in writing and delivered in person or sent by registered mail, postage prepaid. If one party provides written notice to the other party of a change of address, all further notices shall be addressed and transmitted to the new address.

7. No Assignment of Claims. The Parties warrant that they have made no assignment, and will make no assignment, of any claim, chose in action, right of action or any right of any kind whatsoever, embodied in any of the claims and allegations referred to herein, and that no other person or entity of any kind had or has any interest in any of the demands, obligations, actions, causes of action, debts, liabilities, rights, contracts, damages, attorneys' fees, costs, expenses, losses or claims referred to herein.

8. Successors and Assigns. This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, legal representatives, successors and assigns.

9. Knowing and Voluntary. This Agreement is an important legal document and in all respects has been voluntarily and knowingly executed by the Parties hereto. The Parties specifically represent that prior to signing this Agreement they have been provided a reasonable period of time within which to consider whether to accept this Agreement. The Parties further represent that they have each carefully read and fully understand all of the provisions of this Agreement, and that they are voluntarily, knowingly, and without coercion entering into this



Agreement based upon their own judgment. The Parties further specifically represent that prior to signing this Agreement they have conferred with their counsel to the extent desired concerning the legal effect of this Agreement.

10. Effective Date. This Agreement has been entered into by the Parties as of the date and year first above-written, and shall be effective as of such date.

11. Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties provided that such amendments are executed in writing by the Parties to be bound thereby.

12. Section Headings. All Section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

13. Waiver.

(a) Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

(b) All waivers must be in writing to be effective or binding upon the waiving party, and no waiver shall be implied from any omission by a party to take any action with respect to such a default.

(c) No express written waiver of any particular default shall affect any other default, or cover any other period of time specified in such express waiver.

14. Attorneys' Fees. Should legal action be brought for breach of this Agreement or to enforce any provision herein, the prevailing party of such action shall be entitled to reasonable attorneys fees, court costs and such other costs as may be fixed by the court.

15. Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning settlement and supersede any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to this Agreement concerning settlement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement, that they have not executed this Agreement in reliance on any such representation, inducement, promise, agreement or warranty, and that no representation, inducement, promise, agreement or warranty not contained in this Agreement including, without limitation, any purported supplements, modifications, waivers or terminations of this Agreement, shall be valid or binding, unless executed in writing by all of the Parties to this Agreement.

16. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

17. Termination. Upon termination of this Agreement, the rights, duties and obligations of the Parties hereunder shall cease as of the date of such termination.

18. Governing Law. This Agreement is made and entered into in the State of California, and shall in all respects be interpreted, enforced and governed under the laws of said State without giving effect to conflicts of laws principles.

19. Authority to Sign. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party and to bind that party, including its members, agents and assigns, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

20. Counterparts. This Agreement may be executed by the Parties in counterparts which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the Parties hereto on this Agreement which are delivered by facsimile or PDF as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement with original ink signatures of each person and entity.

IN WITNESS WHEREOF, Developer and City have executed this Agreement as of the date first hereinabove written.

**CITY OF HESPERIA**

**DEVELOPER**

By: \_\_\_\_\_  
Nils Bentsen, City Manager

**Abraham Tekin**

By:

By:

By: \_\_\_\_\_

**ATTEST:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Melinda Sayre, City Clerk

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

## ATTACHMENT 1

### EXHIBIT A

[Legal Description of Property owned by Developer that is subject to the Project Conditions]

#### 36 Parcels

<u>APN</u>	<u>Street</u>	<u>Owner Name</u>
304621103	STOCKTON	OZEL DEVELOPING INC
304627127	PEARBLOSSOM	OZEL DEVELOPING INC
304627132	VALINDA	OZEL DEVELOPING INC
304627137	VALINDA	OZEL DEVELOPING INC
304621154	TRACY	OZEL DEVELOPING INC
304621155	STOCKTON	OZEL DEVELOPING INC
304621162	STOCKTON	OZEL DEVELOPING INC
304621107	IDYLLWILD	OZEL DEVELOPING INC
304621163	STOCKTON	OZEL DEVELOPING INC
304627136	VALINDA	OZEL DEVELOPING INC
304627134	VALINDA	OZEL DEVELOPING INC
304621104	STOCKTON	OZEL DEVELOPING INC
304621153	TRACY	OZEL DEVELOPING INC
304621152	TRACY	OZEL DEVELOPING INC
304621108	IDYLLWILD	OZEL DEVELOPING INC
304627140	PEARBLOSSOM	OZEL DEVELOPING INC
304627138	PEARBLOSSOM	OZEL DEVELOPING INC
304627129	PEARBLOSSOM	OZEL DEVELOPING INC
304627130	PEARBLOSSOM	OZEL DEVELOPING INC
304621151	TRACY	OZEL DEVELOPING INC
304627141	PEARBLOSSOM	OZEL DEVELOPING INC
304627135	VALINDA	OZEL DEVELOPING INC
304621102	STOCKTON	OZEL DEVELOPING INC
304621160	STOCKTON	OZEL DEVELOPING INC
304627142	PEARBLOSSOM	OZEL DEVELOPING INC
304627124	PEARBLOSSOM	OZEL DEVELOPING INC
304621106	STOCKTON	OZEL DEVELOPING INC
304627131	VALINDA	OZEL DEVELOPING INC
304621101	STOCKTON	OZEL DEVELOPING INC
304621105	STOCKTON	OZEL DEVELOPING INC
304627133	VALINDA	OZEL DEVELOPING INC
304627125	PEARBLOSSOM	OZEL DEVELOPING INC
304627139	PEARBLOSSOM	OZEL DEVELOPING INC
304621161	STOCKTON	OZEL DEVELOPING INC
304627126	PEARBLOSSOM	OZEL DEVELOPING INC
304627128	PEARBLOSSOM	OZEL DEVELOPING INC

## ATTACHMENT 1

### EXHIBIT B

[Tentative Tract TT-16676 Project Conditions, page 23, Condition No. 43 Muscatel Extension]

- \_\_\_\_\_ 42. **Front Yard Landscaping.** The developer shall install front yard and street side yard landscaping, including parkways, and automatic irrigation on each numbered lot. Irrigation controllers shall feature automatic adjustment for seasonal variations in irrigation requirements. At least one scheme shall be offered with no turf, consistent with the associated model home complex. Landscaping shall include at least one 24-inch box tree on each lot and one shrub for each 150 square feet of front yard area where turf is not provided. Corner Lots shall have an additional 24-inch box tree. Ground cover other than turf (maximum 12" on center) or rock shall be provided for all non-turf or non-paved areas. Use of different colored rock and boulders is encouraged. Plant materials shall be "water-smart" and from the Approved Plant List from the Hesperia Parks and Recreation District specifications. Typical landscaping and irrigation plans shall be submitted to the Planning Division for review and approval.
- \_\_\_\_\_ 43. **Muscatel Extension.** Prior to the occupancy of the 500<sup>th</sup> unit developer shall acquire right-of way (if necessary) and construct Muscatel Street from the present end of pavement westward to connect to Mariposa Avenue. Roadway shall be a minimum of 26 feet wide with graded shoulders for drainage. Culvert over wash shall be constructed with 100-year capacity to ultimate width of roadway. Appropriate horizontal and vertical alignments and road sections shall be provided subject to the approval of the City Engineer. Improvement Plans for Muscatel Street Extension may be submitted separately from other street plans. (E)
- \_\_\_\_\_ 44. **Address Numbers.** All houses shall have installed permanent address numbers a minimum of 4 inches high visible from the street. (B)
- \_\_\_\_\_ 45. **Walls and Fences.** Walls and fences shall be installed prior to occupancy of each unit.

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# City of Hesperia STAFF REPORT



**DATE:** May 15, 2018

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Mike Browne, Captain  
Doug Hubbard, Detective/Traffic Sergeant

**SUBJECT:** Off-Highway Motor Vehicle Grant Application to the California Department of Parks and Recreation

---

## **RECOMMENDED ACTION**

It is recommended that the City Council approve and adopt Resolution No. 2018-27 authorizing the submission of a California Off-Highway Motor Vehicle (OHV) Grant Application to the California Department of Parks and Recreation for a total of \$54,512, and authorize the City Manager and the San Bernardino County Sheriff's Department to execute the Application and any amendments thereto on behalf of the City.

## **BACKGROUND**

For many years, California State Parks has offered grant funds to support law enforcement operations in communities throughout the state. These funds are available on an annual basis through a competitive grant request process. Several hundred local, state, and federal agencies apply for these grant funds through an application process and final awards are based on needs of the particular jurisdiction. The City of Hesperia has applied and received funds from this program in the past and has developed a very effective OHV program. The City currently provides enforcement with funds provided in the 2017/2018 grant cycle.

## **ISSUES/ANALYSIS**

The City of Hesperia continues to grow and with the increasing population and development, so do the complaints and other issues associated with motorcycle disturbance calls, accidents etc. Several hundred calls for service a year are generated by citizens complaining of noise, dust, and general issues associated with illegal riding on public roads and private property. The Hesperia Station is in need of a funding source to purchase equipment, provide training to staff, and pay salaries to deputies who can patrol problem areas issuing citations, educate youth at local schools and events and network with OHV enthusiasts providing direction to legal riding areas therefore reducing complaints, accidents and overall increasing the quality of life for residents in the community. The 2018/2019 California State Parks grant program has grant funds available for various projects including law enforcement. With approval, Hesperia will apply for \$54,512 for the 2018/2019 grant project, to purchase new equipment and provide enforcement for OHV areas within City limits.

The project would be managed by a Sheriff's Sergeant and utilize several trained deputies who would be assigned to the team as a collateral duty. The OHV team would conduct regular patrols in problem areas, conduct safety programs at schools and local community events, and provide education to citizens through public outlets and the media.

## **FISCAL IMPACT**

Per the grant regulations, the City would be responsible for up to a 25% match of the awarded funds. Funding for the 2018/2019 project would require the City to commit to a \$13,628 match and per the regulations, much of this match can be accommodated through fuel and maintenance costs of OHV enforcement used equipment, patrol assignments associated with OHV contacts, calculated salary costs for the use of volunteers at events or on operations and the use of any currently owned city equipment and staff. This match requirement could be in large part satisfied by a detailed fiscal management of resources and equipment use on a daily basis by the OHV sergeant and the City finance department.

Also per the grant regulations, the City would periodically submit payment requests to State Parks for reimbursement for funds spent during a specific time period. There is also an option of advance requests that can be submitted for funds needed to purchase large equipment items such as a vehicle, minimizing the cities out of pocket expense for such purchases.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff

## **ATTACHMENT(S)**

1. 2018/2019 Off-Highway Motor Vehicle Grant Application (available at Police Department)
2. Resolution 2018-27



ATTACHMENT AVAILABLE FOR REVIEW AT THE POLICE DEPARTMENT

## **RESOLUTION NO. 2018-27**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING THE SUBMISSION OF AN APPLICATION FOR GRANT FUNDS FOR THE STATE OF CALIFORNIA, DEPARTMENT OF PARKS AND RECREATION, OFF-HIGHWAY VEHICLE GRANT FUNDS AND MAKING CERTAIN FINDINGS RELATED THERETO**

**WHEREAS,** the City of Hesperia (City), is a public body, corporate and politic, duly organized under the laws and Constitution of the State of California; and

**WHEREAS,** the San Bernardino County Sheriff's Department contracts law enforcement services to the City; and

**WHEREAS,** the City desires to apply for funding from the State of California' s Off-Highway Vehicle Grant Program (OHVGP) in support of OHV enforcement and education to the community by the San Bernardino County Sheriff's Department; and

**WHEREAS,** the people of the State of California have enacted the Off-Highway Motor Vehicle Recreation Act of 2003, which provides to the State of California and its political subdivisions for Operations and Maintenance, Restoration, Law Enforcement, and Education and Safety for off - highway vehicle recreation; and

**WHEREAS,** the Off-Highway Motor Vehicle Recreation Division with the California Department of Parks and Recreation has been delegated the responsibility to administer the program; and

**WHEREAS,** procedures established by the California Department of Parks and Recreation require the Agency Board to certify by resolution of the approval of the Application to apply for Off-Highway Motor Vehicle Grant funds; and

**WHEREAS,** this Project in conformance with Hesperia's adopted General Plan and is compatible with the land use designations immediately adjacent to the Project.

**NOW THEREFORE,** BE IT RESOLVED BY THE CITY OF HESERIA CITY COUNCIL AS FOLLOWS:

- Section 1. In all respects, the facts as set forth in this resolution are true and correct.
- Section 2. Approves the filing of an Application for 2018 and 2019 Off-Highway Vehicle Grants or Cooperative Agreements.
- Section 3. Certifies that the City understands its legal obligations to the State upon approval of the Grant.
- Section 4. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.
- Section 5. Certifies that the Project will be well maintained during its useful life.

- Section 6. Certifies that the City will implement the Project with diligence once the funds are available and that the Applicant has reviewed, understands, and agrees with the Project Agreement.
- Section 7. Certifies that the City will provide the required matching funds.
- Section 8. Certifies that the public and adjacent property owners have been notified of this Project (as applicable).
- Section 9. That the San Bernardino designated as the Project Administrator application and all accompany submittals, through the City's Finance Department. County Sheriff's Department is hereby or all aspects of the Grant, including the and all Grant funding shall be administered
- Section 10. The City Manager and San Bernardino County Sheriff's Department or their designee(s), are hereby authorized and directed to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for completion of the Project.
- Section 11. This Resolution shall go into effect immediately upon its adoption.
- Section 12. The City Clerk shall certify to the passage and adoption hereof and enter it into the book of original resolutions for the City.

**ADOPTED AND APPROVED** this 15<sup>th</sup> day of May, 2018.

---

Russ Blewett, Mayor

ATTEST:

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Melinda Sayre, City Clerk

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# City of Hesperia STAFF REPORT



**DATE:** May 15, 2018  
**TO:** Mayor and Council Members  
**FROM:** Nils Bentsen, City Manager  
**BY:** Michael Blay, Assistant City Manager  
**SUBJECT:** Development Impact Fee Update

---

## **RECOMMENDED ACTION**

It is recommended that the City Council consider the attached Development Impact Fee Study, a comprehensive evaluation of the City's infrastructure needs to accommodate new development, and adopt of Resolution No. 2018-26 reflecting proposed revised Development Impact Fees set during the April 17, 2018 City Council meeting, in the Capital Improvement Development Impact Fee Categories of Fire Suppression Facilities, Vehicles, & Equipment, Police Facilities, Animal Control Facilities, City Hall Facilities, Records Storage Facilities, Drainage Facilities and Transportation Facilities that will amend the Fees for Single Family Residence units, Multi-Family Residence units, Commercial/Office/Retail sites per 1,000 SF, Industrial sites per 1,000 SF, and Hotel/Motel sites per room.

## **BACKGROUND**

In March 2005 Reiter Lowry Consultants began performing a Development Impact Fee (DIF) Nexus Study for the City. The study comprehensively evaluated the City's expansion needs to accommodate new development. On December 20, 2006 the City Council adopted Resolution 2006-115 setting DIF fees for new development. In addition, the Council approved an adjustment to the Streets DIF fees in February 2008 in order to maintain compliance with the San Bernardino County Associated Government (SANBAG) Development Mitigation Program increase.

Beginning in March 2016 an Ad Hoc Committee consisting of Council Members Paul Russ and Russ Blewett as well as City Staff and consultants from David Taussig & Associates began meeting to evaluate the current DIF fees and conduct a nexus study of applicable projects. City staff examined the City's infrastructure needs to accommodate new development. The needs list included Police & Fire, Animal Control Facilities, City Hall Facilities, Records Storage Facilities, Drainage, and Transportation.

The DIF study was presented to Council on November 7, 2017 as part of the New Business agenda and again on December 5, 2017. Staff received direction from the Council and modifications were made to the capital projects needs list. The new needs list was utilized by the consultant to create their report.

On April 17, 2018 consultants from David Taussig & Associates presented the DIF nexus study to Council which included capital projects identified as necessary to support growth in the City. Public comments were heard and the Council reviewed the results of the nexus study. Following a motion by Mayor Blewett, the Council voted 5-0 to recommend the following fees for adoption.

Development Impact Fee Category	Single Family Residence (per Unit)	Multi-Family Residence (per Unit)	Commercial/ Office/Retail (per 1,000 SF)	Industrial (per 1,000 SF)	Hotel/ Motel (per room)
Fire Suppression Facilities, Vehicles, & Equipment	652	494	188	915	88
Police Facilities	10	8	4	16	2
Animal Control Facilities	223	179	0	0	0
City Hall Facilities	530	426	203	837	81
Records Storage Facilities	26	21	10	41	4
Drainage Facilities	963	367	300	632	213
Transportation Facilities	9,952	6,895	6,000	1,500	7,001
<b>Total Fee</b>	<b>\$ 12,356</b>	<b>\$ 8,390</b>	<b>\$ 6,705</b>	<b>\$ 3,941</b>	<b>7,389</b>

## ISSUES/ANALYSIS

Government Code Section 66000, enacted by the State of California in 1987, enables cities to establish development impact fees for the purpose of mitigating the cost of additional municipal facilities as a result of new development. It is appropriate for municipal governments to periodically evaluate their fee structures and conduct studies to determine whether the fees collected are an adequate representation of costs incurred. The previous study was completed more than ten (10) years ago and required updating. The current nexus study, performed by David Taussig & Associates, utilized project information, demographic information, and industry accepted assumptions to prepare the attached report.

The City's infrastructure needs will always outpace its ability to collect a corresponding fee so careful consideration was given to the projects included in the nexus study. The projects identified by the Ad Hoc committee were deemed critical to the successful development of the City and were included in the study.

The nexus study calculated the maximum amount that can be charged as a Development Impact Fee for each type of land use based on the capital project needs list. The City Council may elect to set the fee at or below this maximum amount. In the future, and without the requirement of another nexus study, a Council may adjust the DIF fee up or down as long as the amount does not exceed the maximum set by the study.

## FISCAL IMPACT

Development Impact Fees are an important source of revenue that allows the City to pay for the expansion of infrastructure projects triggered by new development. The revenue will fluctuate based on building activity and a component of the annual budget is an estimate of construction permits issued.

**ALTERNATIVE(S)**

1. Provide alternate direction to staff.

**ATTACHMENT(S)**

1. Proposed DIF Fees
2. Fee Summary Memorandum prepared by David Taussig & Associates
3. Fee comparison chart
4. Resolution No. 2018-26

Changes Highlighted - Effective 5/15/2018

DIF Fees Effective July 16, 2018

Development Impact Fee Category	Single Family Residence (per Unit)	Multi-Family Residence (per Unit)	Commercial/ Office/Retail (per 1,000 SF)	Industrial (per 1,000 SF)	Hotel/ Motel (per room)
Fire Suppression Facilities, Vehicles, & Equipment	648	491	187	908	88
Police Facilities	10	8	4	16	2
Animal Control Facilities	223	176	0	0	0
City Hall Facilities	530	424	194	837	81
Records Storage Facilities	26	20	9	41	4
Drainage Facilities	963	367	300	632	213
Trasportation Facilities	9,952	6,895	6,000	1,500	7,001
Total Fee	\$ 12,352	\$ 8,381	\$ 6,694	\$ 3,934	7,389



## CITY OF HESPERIA

### DEVELOPMENT IMPACT FEE JUSTIFICATION STUDY

May 8, 2018

Prepared for

CITY OF HESPERIA  
9700 7<sup>th</sup> Avenue  
Hesperia, CA 92345

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.  
5000 Birch Street, Suite 6000  
Newport Beach, California 92660  
(800) 969-4382

Newport Beach  
San Francisco  
San Jose  
Riverside  
Dallas  
Houston

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### APPENDICES

- A. DEMOGRAPHICS SUMMARY
- B. DEMOGRAPHICS SUMMARY – NOT INCLUDING TAPESTRY & TAPESTRY ONLY
- C. TRANSPORTATION NEEDS LIST
- D. FEE MODELS

The City of Hesperia ("City") authorized David Taussig & Associates, Inc. ("DTA") to prepare a nexus study to justify proposed development impact fees to be imposed on new development within the City limits (the "Fee Study"). The fees to be collected will provide a source of revenue to fund public improvements that will mitigate the impacts of such new development. This Fee Study will meet the requirements of California Government Code Section 66000 et seq. known as the "Mitigation Fee Act" and will achieve the following goals related to said section:

- Ensure the development impact fees do not exceed the estimated reasonable cost of providing the service for which the fee is imposed
- Provide a clear and concise document that will serve as the basis for the proposed fee levels

A development impact fee ("Fee") is a one-time charge imposed by a local agency on new development to recover, or partially recover, the estimated reasonable cost of providing public facilities needed to mitigate the impacts of such new development. Further discussion on the legal limitations related to imposing development impact fees is discussed in Section II, "Legal Requirements."

This Fee Study and the resulting fee structure will focus on the justification for imposing impact fees to fund, or partially fund, fire, police, animal control, City Hall, records storage, drainage, and transportation facilities necessary to mitigate the impacts of new development.

This study uses a planning horizon of 2040 for all projections of demographic growth. To ensure the proposed fee structure meets the nexus requirements of Section 66001 and ensure the fees are proportionate to the impacts generated by the various land uses, this Fee Study uses an equivalent development unit ("EDU") method to fairly allocate costs to new development and determine the appropriate fee levels that will provide a source of funds to pay for the proposed facilities. A more detailed discussion regarding the EDU methodology can be found in Section III-4.

Section IV of this Fee Study provides detailed analyses of facility needs (the "Needs Lists") for each fee category, allocation of costs to new development and calculation of fee structures for fire, police, animal control, City Hall, records storage, drainage, and transportation facilities. For purposes of this Fee Study, the City categorizes developable land uses as residential property and non-residential property. Residential and non-residential property is further categorized into subclasses of single family, multi-family, commercial/office/retail, industrial, and hotel/motel. Section V also adds an administrative component of 1.0% of the individual fee amounts to pay for the City's overhead costs incurred in the administration of the Fee program.

The City has identified the need to levy impact fees to pay for fire, police, animal control, City Hall, records storage, drainage, and transportation facilities. These fees will finance facilities on the Needs Lists at levels identified by the City as appropriate for new development. Upon the adoption of the Fee Study and required legal documents by the City Council, all new development will be required to pay its “fair share” of the cost of facilities on the Needs Lists through these fees.

The fees are established pursuant to AB 1600 as described below.

### **AB 1600 LEGAL REQUIREMENTS**

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on project sites. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially. Higher fee levels were undoubtedly driven in part by a need to offset the decline in funds for infrastructure development from other sources.

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development, as the levy of such fees provides funding to maintain an agency's existing level of service for an increased service population. A fee is “a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project...” (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee occurring prior to the beginning of construction of a dwelling unit or non-residential building (or prior to the expansion of existing buildings of these types). Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance.

Assembly Bill (“AB”) 1600, which created Section 66000 et. seq. of the Government Code, was enacted by the State of California in 1987. This Fee Study is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

In 2006, Government Code Section 66001 was amended to clarify that a fee cannot include costs attributable to existing deficiencies, but can fund costs used to maintain the existing level of service or meet an adopted level of service that is consistent with the general plan.

Section 66000 et seq. of the Government Code requires all public agencies to satisfy the following requirements when establishing, increasing or imposing a fee as a condition of new development:

1. Identify the purpose of the fee. (Government Code Section 66001(a)(1)).
2. Identify the use to which the fee will be put. (Government Code Section 66001(a)(2)).
3. Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3)).
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4)).
5. Discuss how there is a reasonable relationship between 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.

The sections below present each of the five requirements listed above as they relate to the imposition of the proposed fees.

### 1. Purpose of the Fee (Government Code Section 66001(a)(1))

New residential and non-residential development within the City will generate additional residents and employees who will require additional public facilities. Land for these facilities will have to be acquired and public facilities and equipment will have to be expanded, constructed or purchased to meet this increased demand.

This Fee Study has been prepared in response to the projected direct and cumulative effect of future development. Each new development will contribute to the need for new public facilities. Without future development many of the new public facilities on the Needs Lists would not be necessary as the existing facilities are adequate for the City's present population. In instances where facilities would be built regardless of new development, the costs of such facilities have been allocated to new and existing development based on their respective level of benefit.

The proposed Fees, other than the fire Fee, will be charged to all future development, irrespective of location, in the City. The fire Fee will not be

charged in the Tapestry Specific Plan (“Tapestry”) as described further in Section III herein. Even future “in fill” development projects contribute to impacts on public facilities because they are an interactive component of a much greater universe of development located throughout the City. First, the property owners and/or the tenants associated with any new development in the City can be expected to place additional demands on City facilities funded by the fee. Second, these property owners and tenants are dependent on and, in fact, may not have chosen to utilize their development, except for residential, retail, employment and recreational opportunities located nearby on other existing and future development. Third, the availability of residents, employees, and customers throughout the City has a growth-inducing impact without which some of the “in-fill” development would not occur. As a result, all development projects in the City contribute to the cumulative impacts of development.

The proposed Fees will be used for the acquisition, installation, and construction of public facilities identified on the Needs Lists and appropriate administrative costs to mitigate the direct and cumulative impacts of new development in the City.

2. The Use to Which the Fee is to be Put (Government Code Section 66001(a)(2))

The proposed Fees will be used for the acquisition, installation, and construction of the public facilities identified on the Needs Lists, included in Section IV of the Fee Study and other appropriate costs to mitigate the direct and cumulative impacts of new development in the City. The Fee will provide a source of revenue to the City to allow for the acquisition, installation, and construction of public facilities, which in turn will maintain the current standard of service, preserve the quality of life in the City and protect the health, safety, and welfare of the existing and future residents, visitors, and employees.

3. Determine That There is a Reasonable Relationship Between the Fee’s Use and the Type of Development Project Upon Which the Fee is Imposed (Benefit Relationship) (Government Code Section 66001(a)(3))

It is the projected direct and cumulative effect of future development that has prompted the preparation of the Fee Study. Each development will contribute to the need for new public facilities. Without future development, the City would have no need to construct many of the public facilities on the Needs Lists. For all other facilities, the costs have been allocated to both existing and new development based on their level of benefit. Even future “in fill” development projects, which may be adjacent to existing facilities, further burden existing public facilities. Consequently, all new development within the City, irrespective of location, contributes to the direct and cumulative



impacts of development on public facilities and creates the need for new facilities to accommodate growth.

The Fees will be expended for the acquisition, installation, and construction of the public facilities identified on the Needs Lists and other authorized uses, as that is the purpose for which the Fee is collected. As previously stated, all new development creates either a direct impact on public facilities or contributes to the cumulative impact on public facilities. Moreover, this impact is generally equalized among all types of development because it is the increased demands for public facilities created by the future residents and employees that create the impact upon existing facilities.

For the foregoing reasons, new development benefits from the acquisition, construction, and installation of the facilities on the Needs Lists.

4. Determine How There is a Reasonable Relationship Between the Need for the Public Facility and the Type of Development Project Upon Which the Fee is Imposed (Impact Relationship) (Government Code Section 66001(a)(4))

As previously stated all new development within the City, irrespective of location, contributes to the direct and cumulative impacts of development on public facilities and creates the need for new facilities to accommodate growth. Please note that the fire facilities required to serve new development in Tapestry will be built and paid for under a separate agreement, as discussed in Section III. Without future development, many of the facilities on the Needs Lists would not be necessary. For certain other facilities, the costs have been allocated to both existing and new development based on their level of benefit.

For the reasons presented herein, there is a reasonable relationship between the need for the public facilities included on the Needs List and all new development within the City.

5. The Relationship Between the Amount of the Fee and the Cost of the Public Facilities Attributable to the Development Upon Which the Fee is Imposed ("Rough Proportionality" Relationship) (Government Code 66001(a))

As set forth above, all new development in the City impacts public facilities. Moreover, each individual development project and its related increase in population and/or employment, along with the cumulative impacts of all development in the City, will adversely impact existing facilities. Thus, imposition of the Fees to finance the facilities on the Needs Lists is an efficient, practical, and equitable method of permitting development to proceed in a responsible manner.

New development impacts facilities directly and cumulatively. In fact, without any future development, the acquisition, construction, and/or installation of

many of the facilities on the Needs Lists would not be necessary as existing City facilities are adequate. Even new development located adjacent to existing facilities will utilize and benefit from facilities on the Needs List.

The proposed Fees are roughly proportional to the impacts resulting from new development based on the analysis in Section IV. Thus there is a reasonable relationship between the amount of the Fee and the cost of the facilities.

Identifying these items will enable the Fees to meet the nexus and rough proportionality requirements established by previous court cases. These findings are discussed in the nexus test for each proposed Fee as presented in Section IV.A through Section IV.G. Current State financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establish legal impact fees is to determine what share of the benefit or cost of a particular improvement can be equitably assigned to existing development, even if that improvement has not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable fees assigned.

In order to determine the public facilities needed to serve new development as well as establish Fees to fund such facilities, the City provided DTA with existing development and projections of future population, employees and development within the City. For purposes of determining existing development and projecting future population and employment growth, the City categorizes developable land uses as residential property and non-residential property. Residential and non-residential property is further categorized into subclasses as shown in Table III-1. Based on these designations, DTA established Fees for these land use categories to acknowledge the difference in impacts resulting from various land uses and to make the resulting fee program implementable. A summary of the land use classes utilized in this Fee Study is included in Table III-1. However, not all Fees will apply to all land uses.

Table III-1

LAND USE CLASSIFICATION FOR FEE STUDY	DEFINITION	GENERAL PLAN DESIGNATION
<b>Single Family Residential</b>	Includes, but is not limited to, buildings used as the following: <ul style="list-style-type: none"> <li>• Single family detached homes</li> <li>• Single family attached homes</li> </ul>	R-1
<b>Multi-Family Residential</b>	Includes, but is not limited to, buildings used as the following: <ul style="list-style-type: none"> <li>• Buildings with attached residential units including apartments, town homes, condominiums</li> </ul>	R-3
<b>Commercial/Office/Retail</b>	Includes, but is not limited to, buildings used as the following: <ul style="list-style-type: none"> <li>• Department stores, discount stores, furniture/appliance outlets, home improvement centers</li> <li>• Neighborhood shopping center</li> <li>• Subregional and regional shopping centers</li> <li>• Automobile sales and services</li> <li>• Entertainment and cultural facilities</li> <li>• Business Parks</li> <li>• Service-oriented business activities unless specifically listed elsewhere</li> <li>• Business/professional office</li> <li>• Professional medical offices not located on the same property/development as a hospital</li> <li>• Service oriented business activities where the focus is on customer service delivery in an office environment.</li> </ul>	C-1, C-2, C-3
<b>Industrial</b>	Includes, but is not limited to, buildings used as the following: <ul style="list-style-type: none"> <li>• Manufacturing Facilities</li> <li>• Storage Facilities</li> <li>• Parking lots</li> <li>• Utility Facilities</li> </ul>	I-1, I-2

LAND USE CLASSIFICATION FOR FEE STUDY	DEFINITION	GENERAL PLAN DESIGNATION
Hotel/Motel	Includes, but is not limited to, buildings used as the following: <ul style="list-style-type: none"><li>• Short term and intermediate term housing with room rental businesses defined as hotel or motel in the Hesperia Municipal Code</li></ul>	R-3

The time horizon used for all fees is through the year 2040. The City utilized data from the City's General Plan (the "General Plan"), California Department of Finance, Southern California Association of Governments (SCAG), and the City's Environmental Impact Report ("EIR") dated December 2010 to generate existing and future development projections through 2040.

All fees indicated herein are imposed on a city-wide basis except for the fire Fee which does not include the property in Tapestry. Tapestry, formerly known as the Rancho Las Floras Specific Plan, is located in the southern part of the City and is comprised of approximately 9,365 acres. Fire facilities required by Tapestry will be built and paid for under a separate agreement. Please refer to Appendix B which summarizes estimated future development for residential and non-residential property through the year 2040 not including Tapestry and for Tapestry only.

The following sections summarize the existing and future development figures used in calculating the Fees.

Section 1 below summarizes the existing development in the City.

Section 2 below summarizes the future development in the City through the year 2040.

Section 3 below summarizes the total development in the City in the year 2040.

Lastly, Section 4 below summarizes the EDU methodology used in all fee calculations.

**1. EXISTING DEVELOPMENT WITHIN CITY**

Work on the Fee Study began in 2015. Therefore, all existing development indicated herein starts with 2015 as the current year. Since then, there has not been any significant changes to the development information and the City believes that the demographics presented herein are still reasonable.

**A. Residential Development**

The City estimates there were 92,177 residents and 29,067 residential units within the City as of January 1, 2015. This is based on data provided by the California Department of Finance.

Table III-2 below summarizes the existing residential development within the City.

**TABLE III-2**  
**CITY OF HESPERIA**  
**ESTIMATED EXISTING RESIDENTIAL DEVELOPMENT**

Residential Property	Existing Number of Residents (2015)	Existing Number of Residential Units (2015)
Single-Family	83,974	25,747
Multi-Family	8,203	3,320
<b>Total</b>	<b>92,177</b>	<b>29,067</b>

**B. Non-Residential Development**

In terms of non-residential development, the City estimates that there are approximately 393 Hotel/Motel rooms, 5.8 million square feet of Commercial/Office/Retail development, and 1.8 million square feet of Industrial development within the City as of January 1, 2015. The number of existing non-residential square feet is based on Tables 3 and 4 of the City's December 2010 EIR.

In terms of employees, the City estimates there are 16,758 existing employees within the City. Existing employees is based on Year 2012 figures and an annual growth rate of 2.32% as shown in Table 1 of SCAG 2016-2040 Regional Transportation Plan/Sustainable Community Strategy ("RTP/SCS") dated May 14, 2014.

Table III-3 below summarizes the existing non-residential development within the City.

**TABLE III-3**  
**CITY OF HESPERIA**  
**ESTIMATED EXISTING NON-RESIDENTIAL DEVELOPMENT**

Non-Residential Property	Number of Employees (2015)	Number of Non-Residential SF (2015)	Number of Rooms (2015)
Commercial/Office/Retail	6,157	5,790,617	NA
Industrial	9,618	1,853,804	NA
Hotel/Motel	983	NA	393
<b>Total</b>	<b>16,758</b>	<b>7,644,421</b>	<b>393</b>

## 2. FUTURE DEVELOPMENT WITHIN CITY (2016 – 2040)

### A. Residential Development

The City estimates there will be 182,732 residents residing in 57,296 residential units within the City in the year 2040. Therefore, the City will have a population increase of 90,556 new residents and growth in residential development of 28,229 new dwelling units from 2016 through 2040. Population and development growth is based on information provided by the City on January 30, 2018.

Table III-4 below summarizes the future demographics for residential property through the year 2040.

**TABLE III-4**  
**CITY OF HESPERIA**  
**ESTIMATED FUTURE RESIDENTIAL DEVELOPMENT**  
**(2016 THROUGH 2040)**

Residential Property	Future Number of Residents (2016 – 2040)	Future Number of Residential Units (2016 - 2040)
Single-Family	80,495	24,312
Multi-Family	10,061	3,917
<b>Total</b>	<b>90,556</b>	<b>28,229</b>

### B. Non-Residential Development

In terms of non-residential development, it is estimated there will be approximately 212 new Hotel/Motel rooms, 5.2 million new square feet of



Commercial/Office/Retail development, and 1.4 million new square feet of Industrial development within the City from 2016 to 2040.

In terms of employees, it is estimated there will be 14,123 additional employees within the City through 2040.

Table III-5 below summarizes the future demographics for the non-residential land uses through the year 2040.

**TABLE III-5**  
**CITY OF HESPERIA**  
**ESTIMATED FUTURE NON-RESIDENTIAL DEVELOPMENT**  
**(2016 THROUGH 2040)**

Non-Residential Property	Number of Employees	Number of Non-Residential SF	Number of Rooms
Commercial/Office/Retail	6,142	5,218,900	NA
Industrial	7,451	1,436,072	NA
Hotel/Motel	530	0	212
<b>Total</b>	<b>14,123</b>	<b>6,654,972</b>	<b>212</b>

### 3. TOTAL DEVELOPMENT WITHIN CITY (2040)

Table III-6 below describes the total residential development in the City in the year 2040. This is based on the sum of Tables III-2 and III-4.

**TABLE III-6**  
**CITY OF HESPERIA**  
**ESTIMATED RESIDENTIAL DEVELOPMENT**  
**(IN YEAR 2040)**

Residential Property	Description	Total Existing (2015) (From Table III-2)	Future Development (2016 to 2040) (From Table III-4)	Total Development (2040)
Single-Family	Residents	83,974	80,495	164,469
	Units	25,747	24,312	50,059
Multi-Family	Residents	8,203	10,061	18,264
	Units	3,320	3,917	7,237
Total	Residents	92,177	90,556	182,732
	Units	29,067	28,229	57,296

Table III-7 below describes the total non-residential development in the City in the year 2040. This is based on the sum of Tables III-3 and III-5.

**TABLE III-7**  
**CITY OF HESPERIA**  
**ESTIMATED NON-RESIDENTIAL DEVELOPMENT**  
**(IN YEAR 2040)**

Residential Property	Description	Total Existing (2015) (From Table III-3)	Future Development (2016 to 2040) (From Table III-5)	Total Development (2040)
Commercial/Office/Retail	Employees	6,157	6,142	12,299
	Non-Res. SF	5,790,617	5,218,900	11,009,517
Industrial	Employees	9,618	7,451	17,069
	Non-Res. SF	1,853,804	1,436,072	3,289,876
Hotel/Motel	Employees	983	530	1,513
	Rooms	393	212	605
Total	Employees	16,758	14,123	30,881
	Non-Res. SF	7,644,421	6,654,972	14,299,393
	Hotel Rooms	393	212	605

**4. EQUIVALENT DWELLING UNIT (EDU) PROJECTIONS**

California Government Code §66001(4)(b) requires there to be a "...reasonable relationship between 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." To ensure a reasonable relationship is maintained within the proposed fee structure, this study uses an Equivalent Dwelling Unit ("EDU") methodology. This approach establishes, for given land uses, a method of comparison of that land use to a baseline land use, utilizing a common demand variable. A demand variable is a measurable factor directly related to the size of the public facility.

As stated earlier, Fees are calculated for various land use categories. Each land use has different levels of demand for the new facilities depending upon the demand variable most closely related to the determination of the size, extent and cost of the facility in question. For instance, additional traffic generated by new development requires expansion of existing roadway systems, therefore vehicular trips generated by growth in the various land uses would be a reasonable variable to measure traffic demand. In this case the Average Daily Trips ("ADT") would be the common demand variable and the ADTs generated by a residential dwelling unit would be the baseline value to which the ADTs generated by the remaining land uses would be compared. Likewise, additional residents resulting from new residential development will generate demand for expanded police facilities in the existing police system, therefore population increase would be considered a reasonable common demand variable and the population growth from a new residence would be used as the baseline.

Table III-8 shows the facility type, service factor, and applicable land uses which are used in the Fee calculations.

**TABLE III-8**

Facility Type	Development Includes	Service Factor	Fee charged to Land Uses
Fire	Does Not Include Tapestry	Residents and Employees Served	Residential and Non-Residential
Police	City-wide	Residents and Employees Served	Residential and Non-Residential
Animal Control	City-wide	Residents Served	Residential Only
City Hall	City-wide	Residents and Employees Served	Residential and Non-Residential
Records Storage	City-wide	Residents and Employees Served	Residential and Non-Residential.
Drainage	City-wide	Equivalent Runoff Unit	Residential and Non-Residential
Transportation	City-wide	Average Daily Trips	Residential and Non-Residential

Table III-9 shows the existing EDUs for each land use. The EDU data is used for the police, City Hall, and records storage facilities fees. The EDUs for fire, which exclude Tapestry, are summarized Appendix B. The EDUs for drainage and transportation, which are based on equivalent runoff units (“ERU”) and ADTs, respectively, are described in Section IV.F and Section IV.G.

For Tables III-9 through III-11 below, the EDU factor is calculated based on the residents per unit (or employees per 1,000 SF/Room) for each land use divided by the residents per unit for Single Family units. For example, existing multi-family units has an EDU factor of 0.76, which is based on 2.47 divided by 3.26.

**TABLE III-9**  
**City of Hesperia**  
**Existing Equivalent Dwelling Units**  
**(In 2015)**

Residential Property	Number of Existing Residents	Number of Residential Units	Residents Per Unit	EDUs per Residential Unit	Total Existing EDUs
Single Family	83,974	25,747	3.26	1.000	25,747
<u>Multi-Family</u>	<u>8,203</u>	<u>3,320</u>	<u>2.47</u>	<u>0.76</u>	<u>2,515</u>
Subtotal	92,177	29,067			28,262
Non-Residential Property	Number of Existing Employees	Number of Non-Residential SF / Rooms	Employees per 1,000 Non-Res. SF / Room	EDUs per 1,000 Non-Res. SF / Room	Total Existing EDUs
Commercial/Office/Retail	6,157	5,790,617	1.06	0.33	1,888
Industrial	9,618	1,853,804	5.19	1.59	2,949
<u>Hotel/Motel Rooms</u>	<u>983</u>	<u>393</u>	<u>2.50</u>	<u>0.15</u>	<u>301</u>
Subtotal	16,758	7,644,421			5,138
<b>Grand Total</b>					<b>33,400</b>

Table III-10 shows the total number of future EDUs calculated for each land use for the time period from 2016 through 2040. Please note that the future EDU factors differ from the existing EDU factors due to various reasons including estimated changes in residents per unit and employees per square foot as provided by the City.

**TABLE III-10**  
**City of Hesperia**  
**Future Equivalent Dwelling Units**  
**(From 2016 to 2040)**

Residential Property	Number of Future Residents	Number of Residential Units	Residents Per Unit	EDUs per Residential Unit	Total Future EDUs
Single Family	80,495	24,312	3.31	1.000	24,312
<u>Multi-Family</u>	<u>10,061</u>	<u>3,917</u>	<u>2.57</u>	<u>0.80</u>	<u>3,039</u>
Subtotal	90,556	28,229			27,351
Non-Residential Property	Number of Future Employees	Number of Non-Residential SF / Rooms	Employees per 1,000 Non-Res. SF / Room	EDUs per 1,000 Non-Res. SF / Room	Total Future EDUs
Commercial/Office/Retail	6,142	5,218,900	1.18	0.38	1,855
Industrial	7,451	1,436,072	5.19	1.58	2,250
<u>Hotel/Motel Rooms</u>	<u>530</u>	<u>212</u>	<u>2.50</u>	<u>0.15</u>	<u>160</u>
Subtotal	14,123	6,654,972			4,266
<b>Grand Total</b>					<b>31,616</b>

Table III-11 shows the total number of EDUs calculated for each land use in the year 2040:

**TABLE III-11**  
**City of Hesperia**  
**Equivalent Dwelling Units**  
**(In 2040)**

Residential Property	Number of Future Residents	Number of Residential Units	Residents Per Unit	EDUs per Residential Unit	Total Future EDUs
Single Family	164,469	50,059	3.29	0.88	50,059
<u>Multi-Family</u>	<u>18,264</u>	<u>7,237</u>	<u>2.52</u>	<u>0.69</u>	<u>5,554</u>
Subtotal	182,732	57,296			55,613
Non-Residential Property	Number of Future Employees	Number of Non-Residential SF / Rooms	Employees per 1,000 Non-Res. SF / Room	EDUs per 1,000 Non-Res. SF / Room	Total Future EDUs
Commercial/Office/Retail	12,299	11,009,517	1.12	0.31	3,743
Industrial	17,069	3,289,876	5.19	1.40	5,199
<u>Hotel/Motel Rooms</u>	<u>1,513</u>	<u>605</u>	<u>2.50</u>	<u>0.14</u>	<u>461</u>
Subtotal	30,881	14,299,393			9,404
<b>Grand Total</b>					<b>65,016</b>



## SECTION IV: FEE CALCULATIONS - FIRE FEE

The following sections present the reasonable relationship for benefit, impact, and rough proportionality tests for each Fee element (i.e., fire facilities, police facilities, animal control facilities, etc.) and the analysis undertaken to apportion costs for each type of public facility on the Needs Lists. More detailed fee calculation worksheets for each type of facility are included in Appendix D.

### A. FIRE FACILITIES

The Fire Facilities will serve the residents and employees of the City by providing fire protection services. The Fee Study includes a component for new fire facilities and expansion to existing fire facilities. As mentioned previously, the fire Fee will not apply to Tapestry since the Fire Facilities needed for such development will be mitigated under a separate agreement. Table IV-A1 illustrates how the fire Fee will meet the requirements of AB 1600 with regard to use of the fee, the type of development funded or partially funded by the fee revenue, the reasonable relationship to the need for facilities, and the proportionality requirements.

**TABLE IV-A1**  
**FIRE FACILITIES**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to construct various new Fire facilities and expand existing Fire facilities that will mitigate the impacts of new residential and non-residential development to the City's Fire facilities.
66001(a)(2)	Identify the use to which the fee is to be put	Expansion/construction/acquisition of Fire facilities.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees increasing the need for trained Fire personnel. Buildings used to provide these services will have to be expanded, constructed or purchased to meet this increased demand.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional residents and employees from new development will impact demand for fire facilities. New Fire facilities are needed to mitigate the impacts of the additional residents and employees. If additional Fire facilities are not constructed and equipment and vehicles are not acquired, then overall public safety in the City will suffer.

## SECTION IV: FEE CALCULATIONS - FIRE FEE

66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	The Fire fee is based on the cost to provide new facilities and expand existing facilities.
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### EXISTING FACILITIES

The City of Hesperia currently has four fire stations totaling 31,860 building square feet. See Table IV-A2 for a summary of the existing inventory.

**TABLE IV-A2**  
**EXISTING FIRE FACILITIES**

Fire Facilities	Location	Facility Unit	Building Size
Fire Station 301	9430 11 <sup>th</sup> Avenue	SF	3,700
Fire Station 302	17288 Olive Street	SF	3,435
Fire Station 304	15660 Eucalyptus Street	SF	5,627
Fire Station 305	8331 Caliente Road	SF	19,098
Total Fire Stations			31,860

Please note that Fire Stations 301 and 302 will be torn down and rebuilt into larger facilities. This leaves a total of 24,725 square feet of existing facilities (Fire Stations 304 and 305) which will remain as is. The proposed rebuilt facilities are included in the section below.

### PROPOSED FACILITIES

In order to determine the proposed facilities, the City must determine the demand upon infrastructure created by new development. It is clear all new development in the City will impact the City's current ability to respond to fire, rescue, and medical calls-for-service. The effect is twofold. Initially, each new residence and business will create additional calls-for-service increasing the likelihood of simultaneous (and thus competing) calls-for-service. Additionally, as development spreads further from existing stations, the distances (and thus response times) will increase, taking the existing engine companies out-of-service for greater periods of time.

The capacity of any fire station is finite and will reach practical limits (through call frequency and total incident time). When capacity is exceeded, the level of service afforded to existing development will be reduced. In other words, if development continues without an increase in the number of fire stations, the existing stations would be overwhelmed in terms of calls-for-service, increasing the possibility of a greater number of simultaneous calls-for-service. Additional demands will be made

## SECTION IV: FEE CALCULATIONS - FIRE FEE

upon the previously listed assets in Table IV-A2 above and therefore, such assets would need to be expanded.

Table IV-A3 identifies the facilities proposed to be funded in whole or in part with the collection of Fire fees. Quantity and costs are based on estimates provided by the City.

**TABLE IV-A3**  
**NEEDS LIST**

Fire Facilities	Location	Facility Unit	Building Size	Facility Cost
Tear Down and Rebuild Fire Station 301	9430 11 <sup>th</sup> Avenue	SF	15,200	\$7,600,000
Tear Down and Rebuild Fire Station 302	17288 Olive Street	SF	18,200	\$9,240,000
Fire Station 304 Expansion	15660 Eucalyptus Street	SF	4,200	\$2,333,000
<b>Grand Total</b>			<b>37,600</b>	<b>\$19,173,000</b>

### Equivalent Dwelling Units

For Fire facilities, the development of property into residential and non-residential uses generates residents and employees increasing the need for trained fire personnel. Buildings used to provide fire protection services will have to be expanded, constructed or purchased to meet this increased demand.

Since the facilities proposed to be financed by the impact fees will serve both residential and non-residential property, DTA projected the number of future EDUs based on the number of residents or employees generated by each land use class.

As shown in Section III.4 (Demographics - EDUs), there are 33,400 total existing EDUs and 15,677 future EDU's (which does not include the property in the Tapestry Specific Plan), bringing the total EDUs in 2040 to 49,077 EDUs.

As mentioned previously, the Fire Fee will not apply to property in the Tapestry Specific Plan since the specific Fire Facilities for such property will be built and paid for under a separate agreement.

### Allocation of Costs

The total cost of \$19,173,000, as shown in Table IV-A3 above, for fire facilities needed to serve existing and new development is allocated to existing and new development based on the share of total EDUs in 2040.

## SECTION IV: FEE CALCULATIONS - FIRE FEE

### Fire Stations

Table IV-A4 summarizes the allocation of fire station costs to existing and new development. The City currently has 24,725 square feet of existing fire station buildings that will remain at buildout. Based on the locations of existing and new development, two existing fire facilities will need to be torn down and rebuilt and one fire facility will need to be expanded. The City has determined that fire stations totaling 37,600 new building square feet are needed to adequately serve both existing and new development, bringing the total building square footage of the fire stations to 62,325 square feet. Therefore, after providing a credit to existing development for the existing 24,725 square feet, 47.05% of the costs will be allocated to existing development and 52.95% will be allocated to new development as shown below.

**TABLE IV-A4**  
**ALLOCATION OF FIRE FACILITIES COSTS**

Type of Development	EDUs	Percentage of Total EDUs	Total Facilities Sq. Ft. in 2040	Sq. Ft. Credit for Existing Development	Building Sq. Ft. Net of Credit	Percentage of Costs Allocated	Facility Costs Allocated
Existing Development	33,400	68.06%	42,417	(24,725)	17,692	47.05%	\$9,021,258
Future Development	15,677	31.94%	19,908	0	19,908	52.95%	\$10,151,742
Total	49,077	100.00%	62,325	(24,725)	37,600	100.00%	\$19,173,000

### **Proposed Fee Amount**

The Fee per EDU was calculated by dividing the costs allocated to future development by the number of future EDUs. See Table IV-A5 for the Fee for each land use.

## SECTION IV: FEE CALCULATIONS - FIRE FEE

**TABLE IV-A5  
PROPOSED FEES**

Land Use Type	EDUs per Unit/Room/1,000 Sq. Ft.	Development Impact Fee per Unit/Room/1,000 Sq. Ft.	Cost Financed by Fees
<u>Residential Property</u>			
Single Family	1.00	\$648	\$7,208,120
Multi-Family	0.76	\$491	\$704,187
<u>Non-Residential Property</u>			
Commercial/Office/Retail	0.29	\$187	\$842,785
Industrial	1.40	\$908	\$1,303,902
Hotel/Motel	0.68	\$437	\$92,748
Total			\$10,151,742
Cost Allocated to Existing Development			\$9,021,258
<b>Total Cost of Fire Facilities</b>			<b>\$19,173,000</b>

Based on the development projections in Section III, the fee amount presented in Table IV-A5 above is expected to finance approximately 52.95% of the facilities needed. The City will need to fund the remaining costs from other sources of funds.

## SECTION IV: FEE CALCULATIONS– POLICE FEE

### B. POLICE FACILITIES

The Police Facilities will serve the residents and employees of the City by providing law enforcement and public safety services. The Fee Study includes a component for new police cameras. Table IV-B1 illustrates how the police fee will meet the requirements of AB 1600 with regard to use of the fee, the type of equipment funded or partially funded by the fee revenue, the reasonable relationship to the need for equipment, and the proportionality requirements.

**TABLE IV-B1**  
**POLICE FACILITIES**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to acquire police cameras that will mitigate the impacts of new residential and non-residential development to the City's Police department.
66001(a)(2)	Identify the use to which the fee is to be put	Acquisition of fixed and mobile police cameras.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees increasing the need for trained police personnel. Fixed and mobile cameras used to provide police services will have to be purchased to meet this increased demand.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional residents and employees from new development will impact demand for police cameras. New police cameras are needed to mitigate the impacts of the additional residents and employees. If additional police cameras are not acquired, then overall public safety in the City will suffer.
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	The police fee is based on the cost to provide new fixed and mobile police cameras.



**PROPOSED EQUIPMENT**

The addition of new residential units and new business will increase the demand upon enforcement service level, more areas requiring preventative patrol, and in general, will create more opportunities for crimes to be committed. The City has determined that a new camera system will be required in the future to serve both existing and new development.

Table IV-B2 identifies the police cameras proposed to be funded in whole or in part with the collection of Police fees. Quantity and costs are based on estimates provided by the City.

**TABLE IV-B2**  
**NEEDS LIST**

Police Equipment	Facility Unit	Number	Facility Cost
<u>Future Mobile Cameras</u>			
Mobile LPR 4 Camera Unit	Units	15	\$190,500
<u>Future Fixed Cameras</u>			
ALPR Camera	Units	1	\$86,532
ALPR Camera	Units	1	\$73,310
ALPR Camera	Units	1	\$73,310
ALPR Camera	Units	1	\$60,088
ALPR Camera	Units	1	\$90,132
<u>ALPR Camera</u>	Units	<u>1</u>	<u>\$106,954</u>
<b>Grand Total</b>		<b>21</b>	<b>\$680,826</b>

**Equivalent Dwelling Units**

For police equipment, the development of property into residential and non-residential uses generates residents and employees increasing the need for trained police personnel. Police cameras used to provide police services will have to be purchased to meet this increased demand.

Since the equipment proposed to be financed by the impact fees will serve both residential and non-residential property, DTA projected the number of future EDUs based on the number of residents or employees generated by each land use class.

As shown in Section III.4 (Demographics - EDUs), there are 33,400 total existing EDUs and 31,616 future EDUs (including the property in the Tapestry Specific Plan), bringing the total EDUs in 2040 to 65,016 EDUs.

**Allocation of Costs**

The total cost of \$680,826, as shown in Table IV-B2 above, for police equipment needed to serve existing and new development is allocated to existing and new development based on the share of total EDUs in 2040.

**Total Equipment Costs**

See Table IV-B3 for the total equipment costs allocated to new and existing development.

**TABLE IV-B3**  
**TOTAL COSTS**

Type of Development	EDUs	Percentage of Total EDUs	Allocated Units	Total Costs
Existing Development	33,400	51.37%	11	\$349,754
Future Development	31,616	48.63%	10	\$331,072
<b>Total</b>	<b>65,016</b>	<b>100.00%</b>	<b>21</b>	<b>\$680,826</b>

**Proposed Fee Amount**

The Fee per EDU was calculated by dividing the costs allocated to future development by the number of future EDUs. See Table IV-B4 for the fee amount for each land use.

## SECTION IV: FEE CALCULATIONS– POLICE FEE

**TABLE IV-B4  
PROPOSED FEES**

Land Use Type	EDUs per Unit/Room/1,000 Sq. Ft.	Development Impact Fee per Unit/Room/1,000 Sq. Ft.	Cost Financed by Fees
<u>Residential Property</u>			
Single Family	1.00	\$10	\$254,586
Multi-Family	0.78	\$8	\$31,819
<u>Non-Residential Property</u>			
Commercial/Office/Retail	0.36	\$4	\$19,426
Industrial	1.57	\$16	\$23,566
Hotel/Motel	0.76	\$8	\$1,676
Total			\$331,072
Cost Allocated to Existing Development			\$349,754
<b>Total Cost of Police Equipment</b>			<b>\$680,826</b>

Based on the development projections in Section III, the fee amount presented in Table IV-B4 above is expected to finance 48.63% of the equipment needed. The City will need to fund the remaining costs from other sources of funds.

## SECTION IV: FEE CALCULATIONS -ANIMAL CONTROL FEE

### C. ANIMAL CONTROL FACILITIES

Animal control facilities play an important part in the health, safety, and overall quality of life for residents in the City of Hesperia. The Fee Study includes a component for a new animal control facility. Table IV-C1 illustrates how the animal control Fee will meet the requirements of AB 1600 with regard to use of the Fee, the type of development funded or partially funded by the Fee revenue, the reasonable relationship to the need for facilities and the proportionality requirements.

**TABLE IV-C1**  
**ANIMAL CONTROL FACILITIES**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to construct a new animal control facility that will mitigate the impacts of new residential development to the City's animal control facilities.
66001(a)(2)	Identify the use to which the fee is to be put	Construction and development of new animal control facility.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential development in the City will generate additional residents increasing the need for animal control facilities. Animal control facilities used to provide these services will have to be expanded or constructed to meet this increased demand.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional residents from new development will impact demand for animal control facilities. New animal control facilities are needed to mitigate the impacts of the additional residents. If additional animal control facilities are not constructed, then the overall quality of life for residents in the City will suffer.
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	The animal control facilities fee is based on the cost to construct and develop a new animal control facility.

## SECTION IV: FEE CALCULATIONS – ANIMAL CONTROL FEE

### EXISTING FACILITIES

See Table IV-C2 for a summary of the existing inventory of the City's animal control facilities.

**TABLE IV-C2**  
**EXISTING ANIMAL CONTROL FACILITIES**

Animal Control Facility	Units
Animal Control Facility	10,000 Sq. Ft.

It is expected that the existing Animal Control facility will be torn down and will be replaced by a larger facility as described in the section below.

### PROPOSED FACILITIES

In order to determine the proposed facilities, the City must determine the demand upon infrastructure created by new development. It is clear new residential development in the City will impact the City's current animal control system.

If development continues without an increase in facilities, the existing facility would be overwhelmed in terms of providing animal control services. Additional demands will be made upon the previously listed asset in Table IV-C2 above and therefore, such asset would need to be expanded.

Table IV-C3 identifies the animal control facility proposed to be funded in whole or in part with the collection of animal control fees. Quantity and costs are based on estimates provided by the City.

**TABLE IV-C3**  
**NEEDS LIST**

Animal Control Facilities	Facility Unit	Number	Facility Cost (2015)
New Animal Control Facility	SF	36,000	\$12,600,000

### Equivalent Dwelling Units

For Animal Control facilities, the development of property into residential uses generates residents increasing the need for Animal Control facilities. The developed animal control facility will have to be expanded to meet this increased demand.

City records do not indicate a significant link between the business community and animal control facilities use, therefore, no Fee is required from non-residential property. Therefore, the EDUs for existing and future development are based on the

## SECTION IV: FEE CALCULATIONS

### – ANIMAL CONTROL FEE

residents generated from existing and future residential units. There are no EDUs assigned to Non-Residential Property.

As shown in Section III.4 (Demographics - EDUs), there are 28,262 total existing residential EDUs and 27,351 future residential EDUs, bringing the total residential EDUs in 2040 to 55,613 EDUs.

#### Allocation of Costs

The total cost of \$12,600,000, as shown in Table IV-C3 above, for Animal Control facilities needed to serve existing and new development is allocated to existing and new development based on the share of total EDUs in 2040.

Table IV-C4 summarizes the allocation of the new animal control facility costs to existing and new development. The City currently has 10,000 sq. ft. existing animal control facilities which will be torn down and replaced by a larger facility. Based on the existing and new development within the City, a new animal control facility will be needed. The City has determined that a demolition of the existing animal control facility and construction a new 36,000 sq. ft. animal control facility is needed to adequately serve both existing and new development. Therefore, 50.82% of the costs will be allocated to existing development and 49.18% will be allocated to new development as shown below.

**TABLE IV-C4**  
**ALLOCATION OF NEW ANIMAL CONTROL FACILITY COSTS**

Type of Development	Residential EDUs	Percentage of Total EDUs	Total SF in 2040	Facility Costs Allocated
Existing Development	28,262	50.82%	18,295	\$6,403,263
Future Development	27,351	49.18%	17,705	\$6,196,737
<b>Total</b>	<b>55,613</b>	<b>100.00%</b>	<b>36,000</b>	<b>\$12,600,000</b>

#### Proposed Fee Amount

The Fee per EDU was calculated by dividing the costs allocated to future development by the number of future EDUs. See Table IV-C5 for the Fee for each land use.



**SECTION IV: FEE CALCULATIONS  
– ANIMAL CONTROL FEE**

**TABLE IV-C5  
PROPOSED FEES**

Land Use Type	EDUs per Unit/Room/1,000 Sq. Ft.	Development Impact Fee per Unit/Room/1,000 Sq. Ft.	Cost Financed by Fees
<u>Residential Property</u>			
Single Family	1.00	\$227	\$5,508,291
Multi-Family	0.78	\$176	\$688,446
Total Cost Allocated to Existing Development			\$6,196,737 \$6,403,263
<b>Total Cost of Animal Control Facilities</b>			<b>\$12,600,000</b>

Based on the development projections in Section III, the Fee presented in Table IV-C5 above is expected to finance approximately 49.18% of the facilities needed. The City will need to fund the remaining costs from other sources of funds.

**D. CITY HALL FACILITIES**

The City Hall Facilities will serve the residents and businesses of the City by providing a range of administrative duties and public services. The Fee Study includes a component for paying the outstanding debt service on the 2013 Civic Plaza Bonds. Table IV-D1 illustrates how the City Hall Fee will meet the requirements of AB 1600 with regard to use of fees, the type of development on which the fee is imposed, the reasonable relationship to the need for collection items, and proportionality requirements.

**TABLE IV-D1**  
**CITY HALL FEE – AB 1600 COMPLIANCE**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to pay outstanding debt service on the 2013 Civic Plaza Bonds that will mitigate the impacts of new residential and non-residential development to the City's City Hall facilities.
66001(a)(2)	Identify the use to which the fee is to be put	Pay outstanding debt service on the 2013 Civic Plaza Bonds.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees who will use the City Hall facilities. Fees collected from new residential and non-residential development will be used to pay debt service on the 2013 Civic Plaza Bonds.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional residents and employees from new residential and non-residential development will impact demand for City Hall facilities. If new development is not subject to the Fee, the City will have insufficient funds to pay the outstanding debt on the 2013 Civic Plaza Bonds.
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	The City Hall fee is based on the total 2013 Civic Plaza bonds outstanding which were used to pay for City Hall facilities.

#### PROPOSED COSTS

Table IV-D2 identifies the City Hall facilities costs proposed to be funded with the collection of City Hall fees. Quantity and costs are based on estimates provided by the City.

**TABLE IV-D2**  
**PROPOSED COSTS**

City Hall Facilities	Amount
Total Facilities Cost	\$19,782,375

#### Allocation of Costs

The total cost of \$19,782,375, as shown in Table IV-D2 above, is for the outstanding debt on the 2013 Civic Plaza Bonds. The City (existing development) directly funded a portion of the facility cost, outside of the bond issue. The amount indicated below is an allocation of only the debt service on the bonds to existing and new development. The share of the total facilities cost allocated to new development, when accounting for the City's prior contribution is approximately 64%. Table IV-D3 summarizes the allocation of the outstanding debt on the 2013 Civic Plaza Bonds.

**TABLE IV-D3**  
**ALLOCATION OF CITY HALL FACILITIES COSTS**

Type of Development	Percentage Allocation	Facility Costs Allocated
Existing Development	12.75%	\$2,522,253
Future Development	87.25%	\$17,260,122
Total	100.00%	\$19,782,375

#### Proposed Fee Amount

The Fee per EDU was calculated by dividing the costs allocated to future development by the number of future EDUs. See Table IV-D4 for the fee amount for each land use.

## SECTION IV: FEE CALCULATIONS – CITY HALL FEE

**TABLE IV-D4  
PROPOSED FEES**

Land Use Type	EDUs per Unit/Room/1,000 Sq. Ft.	Development Impact Fee per Unit/Room/1,000 Sq. Ft.	Cost Financed by Fees
<u>Residential Property</u>			
Single Family	1.00	\$546	\$13,272,575
Multi-Family	0.78	\$424	\$1,658,854
<u>Non-Residential Property</u>			
Commercial/Office/Retail	0.36	\$194	\$1,012,733
Industrial	1.57	\$856	\$1,228,570
Hotel/Motel	0.76	\$412	\$87,390
Total Cost Allocated to Existing Development			\$17,260,122 \$2,522,253
<b>Total Cost of City Hall Facilities</b>			<b>\$19,782,375</b>

Based on the development projections in Section III, the fee amount presented in Table IV-D4 above is expected to finance 87.25% of the facilities needed. The City will need to fund the remaining costs from other sources of funds.

## SECTION IV: FEE CALCULATIONS – RECORDS STORAGE FACILITIES FEE

### E. RECORDS STORAGE FACILITIES

The Records Storage Facilities will serve the residents and employees of the City by providing additional storage services. The Fee Study includes a component for a new records storage facility. Table IV-E1 illustrates how the records storage facilities Fee will meet the requirements of AB 1600 with regard to use of the Fee, the type of development funded or partially funded by the Fee revenue, the reasonable relationship to the need for facilities and the proportionality requirements.

**TABLE IV-E1**  
**RECORDS STORAGE FACILITIES**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to demolish the existing records facility and construct a new records storage facility that will mitigate the impacts of new residential and non-residential development to the City's record storage facilities.
66001(a)(2)	Identify the use to which the fee is to be put	Demolition of existing records storage facility and construction of new records storage facility.
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional residents and employees increasing the need for records storage facilities. Records storage facilities used to provide these services will have to be expanded, constructed or purchased to meet this increased demand.
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional residents and employees from new development will impact demand for records storage facilities. A new records storage facility is needed to mitigate the impacts of the additional residents and employees. If new records storage facility is not constructed then overall records storage services provided to the residents and employees in the City will suffer.
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	The records storage facilities fee is based on the cost to demolish the existing records storage facility and construct a new records storage facility.

**EXISTING RECORDS STORAGE FACILITY**

See Table IV-E2 for a summary of the existing inventory of the City’s records storage facilities.

**TABLE IV-E2  
EXISTING RECORDS STORAGE FACILITY**

Records Storage Facility	Units
Records Storage Facility	3,000 Sq. Ft.

It is expected that the existing Records Storage facility will be torn down and will be replaced by a larger facility as described in the section below.

**PROPOSED FACILITIES**

In order to determine the proposed facilities, the City must determine the demand upon infrastructure created by new development. It is clear all new development in the City will impact the City’s current ability to provide records storage services.

If development continues without an increase in the records storage facilities, the existing facilities would be overwhelmed in terms of providing records storage services. Additional demands will be made upon the previously listed asset in Table IV-E2 above and therefore, such assets would need to be expanded.

Table IV-E3 identifies the records storage facility proposed to be funded in whole or in part with the collection of Records Storage fees. Quantity and costs are based on estimates provided by the City.

**TABLE IV-E3  
NEEDS LIST**

Records Storage Facilities	Facility Unit	Number	Facility Cost
New Records Storage Facility	SF	6,000	\$1,716,000

**Equivalent Dwelling Units**

For records storage facilities, the development of property into residential and non-residential uses generates residents and employees increasing the need for records storage services. Existing records storage facilities used to provide these services will have to be expanded, constructed or purchased to meet this increased demand.

Since the facilities proposed to be financed by the impact fees will serve both residential and non-residential property, DTA projected the number of future EDUs based on the number of residents or employees generated by each land use class.

As shown in Section III.4 (Demographics - EDUs), there are 33,400 total existing EDUs and 31,616 future EDUs, bringing the total EDUs in 2040 to 65,016 EDUs.

#### **Allocation of Costs**

The total cost of \$1,716,000, as shown in Table IV-E3 above, for records storage facilities needed to serve existing and new development is allocated to existing and new development based on the share of total EDUs in 2040.

Table IV-E4 summarizes the allocation of the future records storage facilities costs to existing and new development. The City has determined that the existing records storage facility will need to be replaced with a new 6,000 square foot records storage facility in order to adequately serve both existing and new development. Therefore, 51.37% of the costs will be allocated to existing development and 48.63% will be allocated to new development as shown below.

**TABLE IV-E4**  
**ALLOCATION OF RECORDS STORAGE FACILITIES COSTS**

Type of Development	EDUs	Percentage of Total EDUs	Total SF in 2040	Facility Costs Allocated
Existing Development	33,400	51.37%	3,082	\$881,543
Future Development	31,616	48.63%	2,918	\$834,457
<b>Total</b>	<b>65,016</b>	<b>100.00%</b>	<b>6,000</b>	<b>\$1,716,000</b>

#### **Proposed Fee Amount**

The Fee per EDU was calculated by dividing the costs allocated to future development by the number of future EDUs. See Table IV-E5 for the fee amount for each land use.



## SECTION IV: FEE CALCULATIONS – RECORDS STORAGE FACILITIES FEE

**TABLE IV-E5  
PROPOSED FEES**

Land Use Type	EDUs per Unit/Room/1,000 Sq. Ft.	Development Impact Fee per Unit/Room/1,000 Sq. Ft.	Cost Financed by Fees
<u>Residential Property</u>			
Single Family	1.00	\$26	\$641,675
Multi-Family	0.78	\$20	\$80,199
<u>Non-Residential Property</u>			
Commercial/Office/Retail	0.36	\$9	\$48,962
Industrial	1.57	\$41	\$59,396
Hotel/Motel	0.76	\$20	\$4,225
Total			\$834,457
Cost Allocated to Existing Development			\$881,543
<b>Total Cost of Records Storage Facilities</b>			<b>\$1,716,000</b>

Based on the development projections in Section III, the fee amount presented in Table IV-E5 above is expected to finance approximately 48.63% of the facilities needed. The City will need to fund the remaining costs from other sources of funds.

## SECTION IV: FEE CALCULATIONS - DRAINAGE FACILITIES FEE

### F. DRAINAGE FACILITIES

The Drainage Facilities will serve the residents and employees of the City by providing new drainage systems and improvements to existing drainage facilities in order to mitigate the impacts of new development on the existing drainage facilities. The drainage facilities to be financed include components for new detention basins, storm drain systems, street crossings, and flood control basins. Table IV-F1 illustrates how the drainage facilities Fee will meet the requirements of AB 1600 with regard to use of the fee, the type of development funded or partially funded by the fee revenue, the reasonable relationship to the need for facilities and the proportionality requirements.

**TABLE IV-F1**  
**DRAINAGE FACILITIES**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to construct various drainage projects that will mitigate the impacts of new development on the City's drainage and flood control facilities.
66001(a)(2)	Identify the use to which the fee is to be put	Fund or partially fund the construction of new storm drains, culverts, channels, and basins within the City limits. The drainage improvements to be funded or partially funded are summarized in Table IV-F2
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development in the City will generate additional run-off on City streets, where on-site retention is not conditioned as part of the permitting process. The fee revenue will be used to construct new drainage projects from which new residents and employees will benefit from flood protection related to property damage, health and safety and vehicular access on public streets. A fee imposed on new residential and nonresidential development is a reasonable method for mitigating the impacts of such new development.

## SECTION IV: FEE CALCULATIONS - DRAINAGE FACILITIES FEE

AB 1600 Code Section	Description	Justification
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional run-off generated by new development will increase the risk of flood damage in proportion to the volume of run-off added to the system. New and enlarged facilities are needed to mitigate the impacts of the increased run-off volumes. If the proposed projects are not constructed in concert with new development the City's drainage system will experience a higher risk of i) flood damage to public and private improvements ii) impaired access on public streets, and iii) adverse conditions relating to public health safety
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	Project costs are allocated to new development based on the percentage of run-off generated by new development to the total run-off at buildout. Run-off amounts are calculated based on Rational Method Hydrology principles. Specific fees calculated for various land uses are based on the relative run-off rates as compared to a residential unit (baseline rate or ERU factor, where ERU is the equivalent runoff unit)

### PROPOSED FACILITIES AND COSTS

In order to determine the proposed improvements, the City must determine the demand upon infrastructure created by new development. It is clear all new development in the City will impact the City's current ability to provide drainage systems and flood protection.

The discharge capacity of the existing drainage systems is determined by design and in many cases is at design capacity for the appropriate storm event. When capacity is exceeded due to the runoff impacts of new development, the level of flood protection afforded to existing development will be reduced. In other words, if development continues without new improvements to the drainage systems, the existing facilities would be unable to provide the level of flood protection consistent with City standards.

Table IV-F2 identifies the drainage improvements proposed to be funded in whole or in part with the collection of Drainage Facilities fees. Quantity and costs are based on estimates provided by the City. The proposed drainage improvements include culverts and basins that provide flood protection at key roadways within the City. These roadways are not only integral parts of the city-wide circulation system but also provide city-wide access for emergency vehicles during significant flood events. Therefore, these improvements have city-wide rather than local benefit, and the costs will be split

## SECTION IV: FEE CALCULATIONS - DRAINAGE FACILITIES FEE

between new and existing development in proportion to the contribution to total runoff from each.

**TABLE IV-F2**  
**DRAINAGE IMPROVEMENTS COST SUMMARY**

Improvement Type	Location	Total Project Cost	Cost Allocated to New Development
Storm Drainage System, Detention Basins	Escondido Ave. to Eucalyptus St./ Line A-04	\$21,120,000	\$10,258,228
Storm Drainage System	Muscatel Ave. to Main St. Line H-01	\$11,367,000	\$5,521,083
Storm Drainage System, Street Crossing / Culvert	4 <sup>th</sup> to 3 <sup>rd</sup> , Line H-01	\$1,400,000	\$679,996
Street Crossing / Culvert	Arrowhead Lake Rd. between Centennial St. and Sutter St., Line D-01	\$970,000	\$471,140
Street Crossing / Culvert	Lemon Street between G Ave. and H Ave., Line H-02	\$800,000	\$388,569
Street Crossing / Culvert	Lemon Street between C Ave. and E Ave., Line H-01	\$1,300,000	\$631,425
Storm Drainage System, Street Crossing / Culvert	E Ave. to I Ave., Line H-01 and H-03	\$2,320,000	\$1,126,851
Street Crossing / Culvert	Orchard Ave., North of Lilac St., Line H-01	\$660,000	\$320,570
Storm Drainage System, Street Crossing / Culvert	I Ave. to Line H-01 (near Talisman), Line H-02	\$2,040,000	\$990,852
Storm Drainage System	Third Ave. to Railroad Tracks, Line H-01	\$9,900,000	\$4,808,544
Detention/Retention Basins	Local Flood Control Basins (City-wide)	\$8,000,000	\$3,980,237
Detention Basin	Walnut Basin, Line H-01	\$3,700,000	\$1,797,133
Detention Basin	Temecula Basin, Line C-01	\$3,900,000	\$1,894,275
Street Crossing / Culvert, Raise Road	Peach Ave. between Centennial St. and Hinton St., Line D-01	\$400,000	\$194,285
Storm Drainage System, Detention Basins	11 <sup>th</sup> Ave. at Elm St. to Hesperia Rd., Line H-02	\$13,300,000	\$6,459,963
<b>Grand Total</b>		<b>\$81,177,000</b>	<b>\$39,428,606</b>

### Equivalent Runoff Units

For the purposes of allocating drainage costs to both total existing and total new development the demand variable chosen is the equivalent runoff unit (ERU). This is a metric that estimates the runoff ("Q", in cubic feet per second) per acre from the various land use types. The Rational Method Hydrology<sup>1</sup> ( $Q=CIA$ ) analysis was used because it is felt that this method is the most reasonable and accepted method for

<sup>1</sup> Rational Method Hydrology ( $Q=C * I * A$ ) is a widely accepted method of computing rainfall runoff for small drainage areas, where Q is the runoff rate in cubic feet per second, C is the percentage of site area that is impervious, I is rainfall intensity in inches per hour and A is parcel area in acres.

analyzing parcels of the size typically found in this study. For simplicity, the rainfall intensity, "I", is assumed to have a value of 1 (in inches of rainfall per acre). The total area, in acres, for residential parcels is determined by using the total residential units and average residential densities (units per acre) to determine site acreage. The total acreage for non-residential development is determined by dividing the building square feet identified in the Demographics section of this study by the industry standard floor area ratios ("FAR").

The ERU was chosen as the demand variable because it is a reliable industry standard and best relates the quantity of runoff generated by the various land uses to the costs associated with mitigating the effects of this runoff. In order to fairly allocate costs between existing and new development, total ERUs must be calculated for both cases. Tables IV-F3 and IV-F4 show the calculations for determining the total ERUs for existing and future development respectively. Further discussion on the application of the Rational Method as it relates to this Fee Study can be found in Appendix C.

ERUs are a fair and reasonable measure of the demand placed on the City's drainage system. When these factors are applied to the demographic data for existing and new development, total calculated ERUs for existing and new development as a percentage of total ERUs can be used in the allocation of facility costs to new development.

As discussed in Section III the land uses considered upon which development impact fees will be imposed include Residential, Commercial/Office/Retail, Industrial and Hotel/Motel, with their various sub categories. Within the Residential category are single family and multi-family. Existing and future ERUs from the above subcategories are calculated for the purposes of the allocation of drainage improvement costs to existing and new development.

The total ERUs for existing development as well as the percentage of total ERUs are shown in Table IV-F3 below.

## SECTION IV: FEE CALCULATIONS - DRAINAGE FACILITIES FEE

**TABLE IV-F3  
EXISTING ERUs**

Residential Property	Residential Units/1,000 SF/Rooms	Density (EDU/Acre)	FAR	Acres "A"	Runoff Coefficient "C"	Total ERUs
Single Family	25,747	4.0	N/A	6,436.8	0.70	4,505.7
Multi-Family	3,320	12.0	N/A	276.7	0.80	221.3
<b>Non-Residential Property</b>						
Commercial/Office/Retail	5,791	N/A	0.4	332.3	0.95	315.7
Industrial	1,853.8	N/A	0.2	212.8	1.00	212.8
Hotel/Motel	393	N/A	N/A	11.5	0.90	10.4
					Total Existing ERUs	5,265.9
					% of Total ERUs	51.43%

The total ERUs for future development as well as the percentage of total ERUs are shown in Table IV-F4:

**TABLE IV-F4  
FUTURE ERUs**

Residential Property	Residential Units/1,000 SF/Rooms	Density (EDU/Acre)	FAR	Acres "A"	Runoff Coefficient "C"	Total ERUs
Single Family	24,312	4.0	N/A	6,078.0	0.70	4,254.6
Multi-Family	3,917	12.0	N/A	326.4	0.80	261.1
<b>Non-Residential Property</b>						
Commercial/Office/Retail	5,219	N/A	0.4	299.5	0.95	284.5
Industrial	1,436	N/A	0.2	164.8	1.00	164.8
Hotel/Motel	212	N/A	N/A	9.1	0.90	8.2
				6,877.9	Total Existing ERUs	4,973.3
					% of Total ERUs	48.57%
					Total ERUs	10,239.2

### Allocation of Costs

The total cost of \$81,177,000, as shown in Table IV-F2 above, is needed for drainage improvements that have city-wide benefit. Of this total \$39,428,606 is needed to mitigate the impacts of new development based on the share of total ERUs in 2040.

Table IV-F5 below summarizes the allocation of the future drainage improvement costs to existing and new development. The City has determined that the existing drainage facilities will need to be improved in order to adequately serve both existing

and new development. Therefore, 51.43% of the costs will be allocated to existing development and 48.57% will be allocated to new development as shown above.

The drainage costs allocated to new development are then divided by total future ERUs to determine the cost per ERU. This is the baseline ERU used in calculating the various fees. See Table IV-F5 below for the calculation of the cost per baseline ERU.

**TABLE IV-F5**  
**COST PER ERU**

Total Drainage Costs Allocated to New Development	Total Future ERUs	Cost per ERU
\$39,428,606	4,973.3	\$7,928.04

#### **Proposed Fee Amount**

The fee amount for each unit of new residential development is determined by calculating the relative runoff per unit, using the Rational Runoff Method ( $Q=CIA$ ), and multiplying that amount by the cost per ERU found in Table IV-F5 above. Because the Rational Runoff Method ( $Q=CIA$ ), as used in this Study, calculates runoff on a per acre basis from a unit storm intensity (1 inch per hour) and a given percentage of impervious area depending on land use type, the resulting calculation must be divided by the various land use densities in order to determine the relative contributions of runoff. See Table IV-F6 for the fee amount for each land use.

The fee amounts for new non-residential development are based on the allocated cost per 1,000 square feet of building space for Commercial/Office/Retail and Industrial uses.



# SECTION IV: FEE CALCULATIONS - DRAINAGE FACILITIES FEE

**TABLE IV-F6  
PROPOSED FEES**

Land Use Type	Density (Units/ Acre)	Acres	Runoff Coefficient	Q = Runoff Density	Cost per ERU	Fee per Unit/ 1,000 SF/Room	Fee Units	Cost Financed by Fees
<u>Residential Property</u>								
Single Family	4.0	N/A	0.70	0.175	\$7,928	\$1,387.41	Residential Units	\$33,730,649
Multi-Family	12.0	N/A	0.80	0.067	\$7,928	\$528.54	Residential Units	\$2,070,276
<u>Non-Residential Property</u>								
Commercial/Office/Retail	N/A	0.4	0.95	0.055	\$7,928	\$432.26	Square Feet	\$2,255,904
Industrial	N/A	0.2	1.00	0.115	\$7,928	\$910.01	Square Feet	\$1,306,846
Hotel/Motel	N/A	N/A	0.90	0.900	\$7,928	\$306.28	Room	\$64,931
Total								\$39,428,606
Cost Allocated to Existing Development								\$41,748,394
<b>Total Cost of Drainage Facilities</b>								<b>\$81,177,000</b>

Based on the development projections in Section III, the fee amount presented in Table IV-F6 above are expected to finance approximately 48.57% of the facilities needed. The City will need to fund the remaining costs from other sources of funds.

**G. TRANSPORTATION FACILITIES**

The planning tool the City uses to identify current and future needs for an effective overall circulation system within the City is the Circulation Element of the General Plan. Mandated by State Law, the Circulation Element must be linked to the Land Use Element of the General Plan. In addition, the Circulation Element must be consistent with, and integrated with, the Riverside-San Bernardino Area Comprehensive Transportation Plan Model (CTP Model). Consistency is a requirement for eligibility for State and local transportation funds.

The Circulation Element of the City's General Plan serves as the City's Transportation Master Plan, which identifies future transportation facilities needed to mitigate the impacts of new development through build out conditions, beyond the year 2040. The City provided a listing of future transportation facilities needed to mitigate the impacts of new development through 2040. The facilities listed included freeway exchanges and overpasses, major arterials, arterials, secondary arterials, intersection expansions and a transit facility. Project limits and costs for the first three categories are consistent with San Bernardino County Transportation Authority ("SBCTA") Development Mitigation Nexus Study and the SBCTA Congestion Management Plan ("CMP"), with appropriate cost escalators.

City staff uses current traffic and land use data to update their traffic Circulation Element. Any significant changes to impacts resulting from new development are incorporated into the City's Capital Improvement Program (CIP) at regular intervals. Such changes are also incorporated into the Circulation Element at periodic intervals.

All projects to be funded or partially funded through this DIF will have city-wide benefit.

Table IV-G1 illustrates how the transportation Fee will meet the requirements of AB 1600 with regard to use of fees, the type of development funded or partially funded by the fee revenue, the reasonable relationship to the need for facilities, and the proportionality requirements.

**TABLE IV-G1**  
**TRANSPORTATION FEE – AB 1600 COMPLIANCE**

AB 1600 Code Section	Description	Justification
66001(a)(1)	Identify the purpose of the Fee	Provide a revenue source that will provide funds to construct various transportation projects that will mitigate the impacts of new development on the City's circulation system
66001(a)(2)	Identify the use to which the fee is to be put	Fund or partially fund the construction of new roadways and transit facility within the City limits. The roadway improvements to be funded or partially funded are summarized in Table IV-G2 further listed in Appendix C
66001(a)(3)	Demonstrate how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed	New residential and non-residential development will generate additional traffic on City streets. The fee revenue will be used to construct new transportation projects upon which new residents and employees will travel. A fee imposed on new residential and non-residential development is a reasonable method for mitigating the impacts of such new development
66001(a)(4)	Demonstrate how there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed	The additional traffic volumes generated by new development will impact current levels of congestion. New roadways and supplemental lanes are needed to mitigate the impacts of the increased traffic volumes. If the proposed projects are not constructed in concert with new development the City's circulation system will experience higher traffic volumes and increase the level of congestion to a condition well below City standards
66001(b)	Demonstrate how there is a reasonable relationship between the amount of the fee and the cost of the public facility	Project costs are allocated to new development based on the percentage of traffic volume generated by new development to the total traffic volume at build out. The specific fee imposed on the various land uses are based on the relative trip generation rate as compared to a residential unit (baseline rate or EDU factor)

#### PROPOSED FACILITIES AND COSTS

As mentioned above, City staff provided a detailed breakdown of the city-wide transportation projects needed to mitigate the impacts of new development through the year 2040. The projects consist of city-wide roadway improvements totaling nearly \$950 million, of which over \$670 million will be financed through transportation impact fee revenue. The Needs

## SECTION IV: FEE CALCULATIONS – TRANSPORTATION FACILITIES FEE

List includes improvements to freeway exchanges and overpasses, major arterials, arterials, secondary arterials, intersection expansions, and a transit facility. Roadway projects and intersection projects are part of the City's Circulation Element of the General Plan and the City's Capital Improvement Program. The interchange projects as well as the grade separations and regional arterial projects are part of the Riverside-San Bernardino Area CTP Model by SCAG and SBCTA Nexus Study and Congestion Management Plan. These projects are identified by these models and master plans as being needed solely or partially to mitigate the impacts of new development. Where projects are partially needed to cure existing deficiencies or otherwise benefit existing development, the proportionate share of the cost of those projects allocated to existing development would have to be funded by sources other than impact fees.

Major arterials, arterials, secondary arterials, freeway interchanges, and intersection expansions will be funded or partially funded by these impact fees. With regard to freeway interchanges, this Study uses the percentage allocations to new development for interchange projects that are identified in the SBCTA Nexus study. Where the benefits from local projects are shared between existing and new development the allocation to new development is based on the percentage of average daily trips ("ADTs") generated by new development to the total ADTs of the City's roadway network. Where projects are required solely to mitigate the impacts of new development, a 10% allocation to general benefit is assumed, with the remaining 90% allocated to new development. The City has indicated that four of the projects are required solely to mitigate the impacts of new development and will not be impacted by pass through traffic whose trips are originated and ended outside of the City limits. Therefore these projects receive 100% allocation to new development. The project categories, costs and allocations are shown in Table IV-G2, "Transportation Cost Summary":

**TABLE IV-G2**  
**TRANSPORTATION COST SUMMARY**

Component	Total Project Cost	Cost Allocated to New Development
Freeway Exchanges & Overpass	\$317,112,652	\$193,867,029
Major Arterials	\$298,338,093	\$227,695,435
Arterials	\$272,100,190	\$201,359,544
Secondary Arterials	\$54,958,260	\$41,195,371
Intersection Expansion	\$6,153,220	\$5,537,898
Transit Facility	\$1,200,000	\$1,080,000
<b>Grand Total</b>	<b>\$949,862,415</b>	<b>\$670,735,278</b>

Please refer to Table C-1 of Appendix C for a list of projects to be funded, or partially funded by transportation facilities fee. The total project cost as well as the costs allocated to new development are also shown in the table.

### Equivalent Dwelling Units

For the purposes of allocating transportation costs to both existing and new development the demand variable is the average daily trip end. This is a metric that estimates the number of vehicular trips generated by a specific land use within a one hour period during that part of the day in which peak traffic volumes are observed. ADT was chosen as the demand variable because it is consistent with the metric used in the regional transportation plans mentioned at the beginning of this section and is an industry standard. Without question the design and cost estimates for new and expanded roadways are based on traffic volumes generated, congestion levels of service and standards adopted by the local agency. ADTs are a fair and reasonable measure of the demand placed on the City's roadway system. The ADTs generated by a residential dwelling, whose value is determined from the ITE<sup>1</sup> manual, is used as the baseline variable. Comparison of ADTs for the other land uses to the baseline ADT produces EDU factors for the various land uses. When these factors are applied to the demographic data for existing and new development, total calculated EDUs for existing and new development as a percentage of total EDUs can be used in the allocation of facility costs to new development.

### Trip Rates

As discussed in Section III the land uses considered upon which development impact fees will be imposed include Single Family Residential, Multi-Family Residential, Commercial/Office/Retail, Industrial, and Hotel/Motel, with their various sub categories. Within the Residential uses are single family and multi-family, which were chosen to best fit the type of residential development throughout the City, and for which the ITE manual has data and recommended trip rates. In a similar manner, the ITE trip rates for Commercial land use designation includes commercial, retail trade and food service sub categories. The Industrial category includes warehousing, manufacturing, general industrial and health care. Weighted average ADTs from the above subcategories are calculated for the purposes of determining existing and future ADTs and the allocation of transportation costs to existing and new development. Weighted average ADTs will also be used to determine EDU factors needed to calculate the various fee levels.

In order to fairly allocate costs between existing and new development, total ADTs must be calculated for both cases. The total ADTs for existing development as well as the percentage of total ADTs are shown in Table IV-G3 below.

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<sup>1</sup> Institute of Transportation Engineers, Trip Generation, 8th Edition, Volumes 1,2 and 3

## SECTION IV: FEE CALCULATIONS – TRANSPORTATION FACILITIES FEE

**TABLE IV-G3**  
**EXISTING AVERAGE DAILY TRIPS**

Residential Property	Trip Rate	Residential Units/1,000 SF/Rooms	Units	ADTs
Single Family	9.57	25,747	Residential Units	246,399
Multi-Family	6.63	3,320	Residential Units	22,012
<b>Non-Residential Property</b>				
Commercial/Office/Retail	13.27	5,791	1,000 Sq. Ft.	76,841
Industrial	6.97	1,854	1,000 Sq. Ft.	12,921
Hotel/Motel	8.92	393	Rooms	3,506
<b>Grand Total</b>			<b>% of Total ADTs</b>	<b>361,678</b> <b>51.56%</b>

The total ADTs for future development as well as the percentage of total ADTs are shown in Table IV-G4:

**TABLE IV-G4**  
**FUTURE ADTs**

Residential Property	Trip Rate	Residential Units/1,000 SF/Rooms	Units	ADTs
Single Family	9.57	24,312	Residential Units	232,666
Multi-Family	6.63	3,917	Residential Units	25,970
<b>Non-Residential Property</b>				
Commercial/Office/Retail	13.27	5,219	1,000 Sq. Ft.	69,255
Industrial	6.97	1,436	1,000 Sq. Ft.	10,009
Hotel/Motel	8.92	212	Rooms	1,891
<b>Grand Total</b>			<b>% of Total ADTs</b>	<b>339,791</b> <b>48.44%</b>
			<b>Total ADTs</b>	<b>701,469</b>

The percentage of total ADTs for future development, as shown in the table above, is used in Table C-1 of Appendix C, "Transportation Needs List" to allocate to new development new transportation facilities that have citywide benefit.

### Allocation of Costs

The transportation costs allocated to new development are then divided by total new ADTs to determine the cost per ADT. The cost per ADT is then multiplied by the ADT rate for a single family unit. This is the baseline EDU used in calculating the various fees.

## SECTION IV: FEE CALCULATIONS – TRANSPORTATION FACILITIES FEE

See Table IV-G5 for the calculation of the cost per single family unit, or baseline EDU:

**TABLE IV-G5**  
**COST PER ADT**

Total Transportation Costs Allocated to New Development	Total Future ADTs	Cost per ADT
\$670,735,278	339,791	\$1,974

### Proposed Fee Amount

The EDU factors for the various land uses are determined by dividing the ADT rate for each corresponding land use by the ADT rate for the single family category (baseline rate). The EDU factor for each land use is multiplied by the cost per EDU calculated in the preceding table to determine the proposed fee. The proposed fee schedule for transportation is shown in Table IV-G6:

Table IV-G6 is a summary of the proposed transportation fees for the various land uses within the six facility categories.

**TABLE IV-G6**  
**TRANSPORTATION FEE SCHEDULE**

Residential Property	Average Daily Trip Rate	Cost per ADT	Units	DIF per Unit/1,000 SF/ Room	Cost Financed by DIF
Single Family	9.57	\$1,974	Residential Units	\$18,891	\$459,274,295
Multi-Family	6.63	\$1,974	Residential Units	\$13,087	\$51,263,306
Non-Residential Property					
Commercial/Office/Retail	13.27	\$1,974	1,000 Sq. Ft.	\$26,195	\$136,706,578
Industrial	6.97	\$1,974	1,000 Sq. Ft.	\$13,759	\$19,758,251
Hotel/Motel	8.92	\$1,974	Rooms	\$17,608	\$3,732,847
Total					\$670,735,278



The calculated Fees shown in Table V-1 below represent the maximum Fee for each land use that can be charged. The City Council may decide to charge a lower amount than the maximum Fee. It must be pointed out that if lower fees are implemented, other funding sources will be needed to make up the shortfall if all projects are to be completed, or it is highly possible that not all of the projects listed will be completed at build out conditions.

In order to recover administrative costs incurred by the City in the administration of the fee program, an administrative component of 1.0% of each fee is added on to the proposed fees calculated for each land use category.

Table V-1 below summarizes the proposed Fee schedule including the administrative component:

**TABLE V-1**  
**CITY OF HESPERIA**  
**DEVELOPMENT IMPACT FEE SUMMARY**

Land Use	Residential (Fee per unit)		Non-Residential (Fee per 1,000 Sq. Ft.)		Fee per Room
	Single Family	Multi-Family	Commercial/ Office/Retail	Industrial	Hotel/Motel [1]
Fire Facilities [2]	\$648	\$491	\$187	\$908	\$437
Police Facilities	\$10	\$8	\$4	\$16	\$8
Animal Control Facilities	\$227	\$176	\$0	\$0	\$0
City Hall Facilities	\$546	\$424	\$194	\$856	\$412
Records Storage Facilities	\$26	\$20	\$9	\$41	\$20
Drainage Facilities	\$1,387	\$529	\$432	\$910	\$306
Transportation Facilities	\$18,891	\$13,087	\$26,195	\$13,759	\$17,608
Administrative Fee (1.00%)	\$217	\$147	\$270	\$165	\$188
<b>Totals</b>	<b>\$21,953</b>	<b>\$14,882</b>	<b>\$27,291</b>	<b>\$16,655</b>	<b>\$18,980</b>

[1] Drainage fee for Hotel/Motel category is on a per gross acre basis.

[2] Not charged to property in Tapestry.

New development, at the time of permit issuance, or as prescribed by the City of Hesperia Municipal Code, shall pay the appropriate Fee for each facility category and the City shall deposit the funds in a separate account dedicated to the construction of the respective facilities proposed, in accordance with Government Code Section 66006(a).

For purposes of determining the impact fees due, any “second unit” or “accessory dwelling unit” (as determined pursuant to Section 65852.2 of the Government Code) shall be considered a separate residential unit and shall be subject to this Fee.

Every five years the City shall report the status of the funds in accordance with Government Code Section 66001(d) and shall i) identify the purpose to which the fee is put; ii) demonstrate a reasonable relationship between the fee and the purpose for which it is charged; iii) identify the sources and amounts of funding needed to complete the program; iv) list the facilities not yet completed; and v) identify, to the extent possible, the timing of when the remaining funds are expected to be received.

It is further recommended that the City update its Capital Improvement Plan annually, by resolution of the City Council, in accordance with Government Code Section 66002.

Finally, it is recommended that the City include in its Council Resolution to adopt the fees, a provision to automatically increase the fees annually tied to an inflation index, such as the Engineering News Record Construction Price Index, or some other reasonable measure of inflation.

## APPENDIX A

### Demographics Summary

## **Appendix A – Demographics Summary**

The purpose of this appendix is to document the methodology used to process raw data for residential and non-residential land uses provided by the City and other sources in order to prepare an estimate of the existing and future development data. This Study will project residential and non-residential development to a 2040 development horizon. This data will be used to calculate the Fees, as discussed in Section IV of this Study. This demographic data was calculated in order to recommend a Fee structure that will ensure that new development will pay its reasonable fair share of the total facilities costs.

### **A.1 Existing Development**

Existing number of residents and existing residential units as of January 1, 2015 are shown in Table III-2 of the Study. The number of residential units was provided by the California Department of Finance. The number of residents was estimated based on a population per household of 3.26 for Single Family units and 2.47 for Multi-Family units, as shown in Table LU-8 of the Land Use Element of the 2010 City General Plan included as backup herein. Existing number of employees and non-residential building square feet as of January 1, 2015 are shown in Table III-3 of the Study. The number of existing employees for commercial/office/retail, and industrial land uses is based on Year 2012 figures shown in Table 1 of the Southern California Association of Governments (SCAG) 2016-2040 Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS) included as backup herein and estimated to 2015 based on the annual growth rate of 2.32% indicated in the SCAG data. The number of existing employees for the hotel/motel land use is based on the City's estimate of 2.5 employees per room. Existing non-residential square feet is based on Tables 3 and 4 of the City's December 2010 EIR included as backup herein. Per the City, an additional 600,000 square feet of commercial/office/retail development was included to bring the 2010 development to 2015.

### **A.2 Future Residential and Non-Residential Development (City-wide)**

Section III.2 of this Study refers to development through 2040 including property located in the Tapestry Specific Plan. The future number of residents and existing residential units through 2040 are shown in Table III-4 of the Study. Future residents and residential units were based on information that was provided by the City. Future number of employees and non-residential building square feet through 2040 are shown in Table III-5 of the Study. Future employees for industrial property is based on Year 2012 figures shown in Table 1 of the SCAG 2016-2040 RTP/SCS and projected forward to 2015 based on the annual growth rate of 2.32% indicated in the SCAG data. The number of future hotel/motel rooms and future employees for the hotel/motel land use is based on the City's estimate of 2.5 employees per room. Future industrial square feet through 2040 is based on the existing 2015 employees per 1,000 square feet factor. Future commercial/office/retail square feet through 2040 is based on estimates provided by the City.

# LAND USE



**TABLE LU-8  
LAND USE DESIGNATIONS AND ACREAGE**

General Plan Land Use Designation	Description	Density/Intensity	Project Average DU/AC or FAR	Population per Household/ Employee per Acre	Total Acreage	Percent of Total City
<b>Residential</b>						
A2	General Agriculture	(0.0 - 0.2 du/ac)	0.1	3.3	2191.74	3.13%
A1-2 ½	Limited Agriculture-2 ½	(0.21 - 0.4 du/ac)	0.4	3.3	799.89	1.14%
A1	Limited Agriculture-1	(0.41 - 1.0 du/ac)	0.75	3.3	4163.96	5.95%
<b>Rural Residential</b>						
RR-2 ½	Rural Residential-2 ½	(0.0 - 0.4 du/ac)	0.4	3.3	13543.17	19.34%
RR(SD)	Rural Residential-Special Development	(0.0 - 0.4 du/ac)	0.25	3.3	11551.76	16.49%
RR-1	Rural Residential-1	(0.41 - 1.0 du/ac)	1.0	3.3	2762.89	3.94%
RR-20000	Rural Residential-20,000	(1.1 - 2.0 du/ac)	1.75	3.3	3210.77	4.58%
<b>Residential</b>						
R1-18000	Single-Family Residence-18,000	(2.1 - 2.4 du/ac)	2	3.3	4730.07	6.75%
R1	Single-Family Residence	(2.5 - 4.5 du/ac)	4	3.3	744.72	1.06%
R1-4500	Single Family Residence-4,500	(4.6 - 8.0 du/ac)	6.5	3.3	454.09	0.65%
R3	Multiple Family Residential	(8.1 - 15.0 du/ac)	12	2.5	140.77	0.20%
<b>Commercial</b>						
C1	Neighborhood Commercial	(0.0 - 0.5 FAR)	0.25	10.08	72.5	0.10%
C2	General Commercial	(0.0 - 1.0 FAR)	0.35	10.08	412.06	0.59%
C3	Service Commercial	(0.0 - 0.5 FAR)	0.35	7.83	61.74	0.09%
<b>Industrial</b>						
I1	Limited Manufacturing	(0.0 - 1.0 FAR)	0.4	7.83	274.92	0.39%
I2	General Manufacturing	(0.0 - 1.0 FAR)	0.25	7.83	496.41	0.71%
<b>Public</b>						
P-School	Public Schools	(0.0 - 1.0 FAR)	-	-	156.53	0.22%
P-Govt	Government Facilities	(0.0 - 1.0 FAR)	-	-	113	0.16%
P-Park/Rec	Park and Recreation Facilities	(0.0 - 1.0 FAR)	-	-	1876.35	2.68%
<b>Specific Plan</b>						
SP-89-01	Rancho Las Flores Specific Plan	-	-	-	9631.59	13.75%
SP-91-003	Summit Valley Ranch Specific Plan	-	-	-	786.21	1.12%
MSFC-SP	Main Street / Freeway Corridor Specific Plan	-	-	-	8859.89	12.65%
<b>Other</b>						
Airport	Airport Use	-	-	-	20.57	0.30%
Rec-Com	Recreation - Commercial	-	-	-	278.96	0.40%
RC	Resource Conservation	-	-	-	314.75	0.45%
RRC	Railroad Corridor	-	-	-	485.82	0.69%
AQ	Aqueduct	-	-	-	589.32	0.84%
TC	Transportation Corridor	-	-	-	398	0.57%
UC	Utilities Corridor	-	-	-	916.48	1.31%
<b>Totals</b>					<b>70,038.93</b>	<b>100.00%</b>

**Notes:**

- The total acreage for the Main Street Freeway Corridor Specific Plan (MSFC-SP) does not include the approximately 132 acres of aqueduct, 101 acres of railroad corridor, 301 acres of utility corridor, 398 acres of major transportation corridors, and 845 acres in roadways that is included in the total identified in Table LU-4 Main Street and Freeway Corridor Specific Plan Land Uses. The acreages for the aqueduct, railroad corridors, utilities, and major transportation corridors are identified under "Other" in this table; roadways were included with the adjacent land use designation. Therefore, the total acreage identified in Table LU-4 of 10,637 acres is consistent with the total of the MSFC-SP and the aqueduct, railroad, utility, and transportation corridors.
- The total acreage for the Rancho Las Flores Specific Plan (SP-89-01) does not include the approximately 236 acres of utility corridors that is included in the total identified in Table LU-5 Rancho Las Flores Specific Plan, May 2006, Land Uses. The acreage for the utility corridors is included under "Other" in this table. The total acreage identified in Table LU-5 of 9,867 acres is consistent with the total for SP-89-01 and 236 acres of utility corridor identified within this table.

TABLE 1 - COMPARISON OF CITY-LEVEL GROWTH FORECASTS FOR THE SCAG 2016-2040 RTP/SCS - ORIGINAL SCAG DATA vs. LOCAL INPUT  
As of May 14, 2014

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
	Original Draft SCAG City-Level Estimates									Revised Draft City-Level Estimates with Local Input															
										Households							Employment								
	Population			Households			Employment			Growth (2012-2040)			Total			Annual Growth Rate ('12 vs '40)		Growth (2012-2040)			Total			Annual Growth Rate ('12 vs '40)	
			Annual Growth Rate			Annual Growth Rate			Annual Growth Rate	SF	MF	Total				%	Change From SCAG	Retail	Non-Retail	Total				%	Change From SCAG
	Jurisdiction	2012	2040	Annual Growth Rate	2012	2040	Annual Growth Rate	2012	2040	Annual Growth Rate	SF	MF	Total	2020	2035	2040	%	Change From SCAG	Retail	Non-Retail	Total	2020	2035	2040	%
Adelanto	31,146	80,390	3.44%	7,923	21,080	3.56%	3,885	11,500	3.95%	8,105	2,092	10,197	10,052	16,019	18,120	3.00%	-0.56%	886	2,982	3,868	5,213	7,545	7,753	2.50%	-1.45%
Apple Valley	70,162	113,150	1.72%	23,706	39,410	1.83%	15,417	30,570	2.47%	7,252	3,828	11,080	26,524	32,987	34,786	1.38%	-0.45%	8,596	3,551	12,147	19,588	26,530	27,564	2.10%	-0.38%
Barstow	23,070	33,940	1.39%	8,150	12,430	1.52%	8,135	12,860	1.65%	3,235	1,499	4,735	9,876	12,287	12,885	1.65%	0.13%	2,339	6,311	8,650	11,073	16,053	16,785	2.62%	0.97%
Big Bear Lake	5,095	6,520	0.88%	2,198	2,820	0.89%	3,840	5,060	0.99%	640	162	802	2,549	2,936	3,000	1.12%	0.22%	442	1,118	1,560	4,364	5,272	5,400	1.23%	0.23%
Chino	79,447	108,930	1.13%	20,997	30,130	1.30%	42,580	66,190	1.59%	6,974	5,979	12,953	24,462	32,234	33,950	1.73%	0.43%	3,811	4,177	7,988	45,493	49,989	50,568	0.62%	-0.97%
Chino Hills	75,765	88,600	0.56%	22,999	29,610	0.91%	11,471	18,580	1.74%	4,447	2,164	6,611	23,520	28,470	29,610	0.91%	0.00%	2,217	4,892	7,109	13,920	17,940	18,580	1.74%	0.00%
Colton	52,769	69,070	0.97%	14,993	20,810	1.18%	16,826	29,200	1.99%	2,329	3,488	5,817	17,570	20,370	20,810	1.18%	0.00%	2,026	10,348	12,374	21,140	28,100	29,200	1.99%	0.00%
Fontana	200,228	283,880	1.25%	49,646	74,870	1.48%	47,011	83,760	2.08%	10,599	13,789	24,388	53,537	70,041	74,034	1.44%	-0.04%	10,552	13,252	23,804	55,373	68,917	70,815	1.47%	-0.61%
Grand Terrace	12,201	13,340	0.32%	4,417	5,360	0.69%	2,153	3,690	1.94%	443	856	1,299	4,821	5,592	5,716	0.92%	0.23%	1,108	2,080	3,188	3,288	5,051	5,341	3.30%	1.36%
Hesperia	91,122	136,510	1.45%	26,436	41,440	1.62%	14,909	29,360	2.45%	11,740	881	12,621	30,427	37,593	39,057	1.40%	-0.21%	5,344	8,090	13,434	19,651	27,293	28,343	2.32%	-0.13%
Highland	53,740	67,090	0.80%	15,497	20,700	1.04%	5,532	10,500	2.32%	4,209	925	5,134	17,325	20,217	20,631	1.03%	-0.01%	1,734	2,939	4,674	7,205	9,829	10,206	2.21%	-0.10%
Loma Linda	23,409	31,310	1.04%	8,763	12,680	1.33%	16,665	31,900	2.35%	1,386	1,623	3,009	9,905	11,495	11,772	1.06%	-0.27%	1,047	3,435	4,482	18,161	20,662	21,147	0.85%	-1.49%
Montclair	37,199	43,230	0.54%	9,564	11,700	0.72%	16,523	24,550	1.42%	129	1,868	1,997	10,205	11,411	11,561	0.68%	-0.04%	803	1,691	2,494	17,411	18,790	19,017	0.50%	-0.92%
Needles	4,898	7,030	1.30%	1,920	2,820	1.38%	2,235	3,790	1.90%	458	442	900	2,300	2,720	2,820	1.38%	0.00%	295	1,260	1,555	2,750	3,640	3,790	1.90%	0.00%
Ontario	166,328	289,490	2.00%	45,112	84,030	2.25%	103,312	166,280	1.71%	7,343	22,112	29,455	58,257	71,585	74,567	1.81%	-0.44%	5,426	66,651	72,077	129,305	170,570	175,389	1.91%	0.19%
Rancho Cucamonga	170,105	180,630	0.21%	55,362	63,990	0.52%	69,901	104,620	1.45%	7,307	11,420	18,727	57,897	71,202	74,089	1.05%	0.53%	6,188	28,531	34,719	82,340	101,760	104,620	1.45%	0.00%
Redlands	69,586	85,540	0.74%	24,821	32,430	0.96%	31,732	53,400	1.88%	4,905	2,704	7,609	27,320	31,600	32,430	0.96%	0.00%	4,235	17,433	21,668	39,240	51,310	53,400	1.88%	0.00%
Rialto	100,836	122,010	0.68%	25,365	34,510	1.11%	21,076	36,080	1.94%	3,037	3,108	6,145	27,982	31,040	31,510	0.78%	-0.33%	2,097	7,356	9,453	24,430	29,767	30,529	1.33%	-0.61%
San Bernardino (City)	211,943	257,410	0.70%	59,321	77,110	0.94%	88,576	145,170	1.78%	11,336	6,453	17,789	68,900	76,610	77,110	0.94%	0.00%	10,102	29,946	40,048	102,151	124,902	128,624	1.34%	-0.44%
Twentynine Palms	25,876	43,760	1.89%	8,341	14,510	2.00%	4,336	8,510	2.44%	2,859	247	3,106	9,035	10,893	11,447	1.14%	-0.86%	724	3,450	4,174	5,760	8,130	8,510	2.44%	0.00%
Upland	74,661	88,860	0.62%	25,882	31,590	0.71%	31,684	51,790	1.77%	1,136	1,890	3,026	27,159	28,786	28,908	0.40%	-0.32%	3,736	8,051	11,787	35,897	42,345	43,471	1.14%	-0.63%
Victorville	119,596	209,370	2.02%	33,079	63,700	2.37%	29,794	55,700	2.26%	22,052	8,569	30,621	39,430	58,180	63,700	2.37%	0.00%	4,659	18,247	22,906	37,633	50,923	52,700	2.06%	-0.20%
Yucaipa	52,271	64,250	0.74%	18,365	25,040	1.11%	8,160	15,020	2.20%	3,903	2,364	6,267	19,740	23,759	24,632	1.05%	-0.06%	1,776	5,068	6,844	10,614	14,415	15,004	2.20%	0.00%
Yucca Valley	20,952	26,330	0.82%	8,289	12,160	1.38%	6,053	10,030	1.82%	2,978	893	3,870	9,370	11,620	12,159	1.38%	0.00%	638	3,339	3,977	7,450	9,670	10,030	1.82%	0.00%
Unincorporated County	295,588	340,360	0.50%	94,243	110,080	0.56%	57,357	96,870	1.89%	12,884	3,144	16,028	99,148	109,512	110,271	0.56%	0.01%	5,241	28,521	33,762	69,621	88,291	91,119	1.67%	-0.22%
Total	2,067,993	2,791,000	1.08%	615,389	875,010	1.27%	659,163	1,104,980	1.86%	141,686	102,500	244,186	687,311	829,159	859,575	1.20%	-0.06%	86,024	282,718	368,742	789,071	997,693	1,027,905	1,60%	-0.26%

Summary Stats - County and Regional Draft SCAG Estimate

	2012	2040 SCAG	2040 L.I.
Pop/HH County	3.36	3.19	3.19
Emp/HH County	1.07	1.26	1.20
Pop/HH Region	3.12	2.99	
Emp/HH Region	1.27	1.32	

Column Legend:

- A: SCAG draft 2012 city-level population estimate
- B: SCAG draft 2040 city-level population estimate
- C: Annual population growth rate from 2012 (Col A) to 2040 (Col B)
- D: SCAG draft 2012 city-level HH estimate
- E: SCAG draft 2040 city-level HH estimate
- F: Annual HH growth rate from 2012 (Col D) to 2040 (Col E)
- G: Original (Oct 2013) SCAG draft 2012 city-level employment estimate
- H: Original (Oct 2013) SCAG draft 2040 city-level employment estimate
- I: Annual employment growth rate from 2012 (Col G) to 2040 (Col H)
- J: Local input growth in single family HH from 2012 to 2040
- K: Local input growth in multi family HH from 2012 to 2040
- L: Local input growth in total HH from 2012 to 2040 (Col J + Col K)

- M: Revised 2020 total HH after consideration of local input (using SCAG original growth rate for 2012 to 2020)
- N: Revised 2035 total HH after consideration of local input (using SCAG original growth rate for 2012 to 2035)
- O: Revised 2040 total HH after consideration of local input
- P: Annual HH growth rate after local input from 2012 (Col D) to 2040 (Col O)
- Q: Annual HH growth rate change from SCAG draft annual growth rate (Col P - Col F)
- R: Local input growth in retail employment from 2012 to 2040
- S: Local input growth in non-retail employment from 2012 to 2040
- T: Local input growth in total employment from 2012 to 2040 (Col R + Col S)
- U: Revised 2020 total employment after consideration of local input (using SCAG original growth rate for 2012 to 2020)
- V: Revised 2035 total employment after consideration of local input (using SCAG original growth rate for 2012 to 2035)
- W: Revised 2040 total employment after consideration of local input
- X: Annual employment growth rate after local input from 2012 (Col G) to 2040 (Col W)
- Y: Annual employment growth rate change from SCAG draft annual growth rate (Col X - Col I)



**Table 3: Existing Building Areas (In Square Feet)<sup>1</sup>**

Planning Areas	Commercial	Industrial
1	1,957,547	325,798
2	210,861	39,232
3	787,128	0
4	1,218,541	0
5	966,022	1,437,712
6	80,122	6,328
7	187,484	44,734
8	9,916	0
9	11,000	0
10	3,588	0
11	1,342	0
<b>TOTALS</b>	<b>5,433,551</b>	<b>1,853,804</b>

**Table 4: Current Population and Dwelling Unit Densities<sup>1</sup>**

PLANNING AREA	ACRES	POPULATION	PEOPLE/ACRE	DWELLING UNITS	DWELLING UNITS/ACRE
1	4,036	1,261	0.31	382	0.09
2	3,571	10,766	3.01	3,319	0.93
3	7,628	23,804	3.12	7,367	0.97
4	1,491	9,017	6.05	3,017	2.02
5	1,632	244	0.15	76	0.05
6	4,246	12,268	2.89	3,721	0.88
7	7,706	25,019	3.25	7,600	0.99
8	12,657	317	0.03	96	0.01
9	7,135	4,128	0.58	1,251	0.18
10	7,719	5,191	0.67	1,573	0.20
11	10,695	363	0.03	110	0.01
<b>Total</b>	<b>68,518</b>	<b>92,377</b>		<b>28,512</b>	
1. Building areas and population counts based on 2004-2005 Assessor's Parcel information.					



## **APPENDIX B**

### **Demographics Summary – Not Including Tapestry and Tapestry Only**

(Applies to Fire Fee only)

# **1. FUTURE DEVELOPMENT WITHIN CITY (2016 – 2040) (TAPESTRY ONLY)**

The tables below reflect property located in Tapestry only. Tapestry is located in the southern part of the City and is comprised of approximately 9,365 acres. As previously mentioned, Fire facilities required by development in Tapestry will be built and paid for under a separate agreement.

Table B-1 below summarizes the future demographics for residential property through the year 2040 for Tapestry only.

**TABLE B-1**  
**CITY OF HESPERIA**  
**ESTIMATED FUTURE RESIDENTIAL DEVELOPMENT**  
**(2016 THROUGH YEAR 2040)**  
**TAPESTRY ONLY**

Residential Property	Future Number of Residents (2016 – 2040)	Future Number of Residential Units (2016 - 2040)
Single-Family	39,305	13,181
Multi-Family	6,037	2,482
Total	45,342	15,663

Future residents and residential units by land use as shown above was based on information provided by the City on January 30, 2018.

Table B-2 below summarizes the future demographics for the non-residential land uses through the year 2040 for Tapestry only.

**TABLE B-2**  
**CITY OF HESPERIA**  
**ESTIMATED FUTURE NON-RESIDENTIAL DEVELOPMENT**  
**(2016 THROUGH 2040)**  
**TAPESTRY ONLY**

Non-Residential Property	Number of Employees	Number of Non-Residential SF
Commercial/Office/Retail	1,326	700,000
Industrial	0	0
Hotel/Motel	0	0
Total	1,326	700,000

Future employees and non-residential square feet by land use as shown above was based on information provided by the City.

**2. TOTAL DEVELOPMENT WITHIN CITY (2040) (DOES NOT INCLUDE PROPERTY IN TAPESTRY)**

Table B-3 below describes the total residential development in the City in the year 2040. This is based on the difference of Tables III-6 and B-1.

**TABLE B-3**  
**CITY OF HESPERIA**  
**ESTIMATED RESIDENTIAL DEVELOPMENT**  
**(IN YEAR 2040)**  
**DOES NOT INCLUDE TAPESTRY**

Residential Property	Description	Total Development (2040) (From Table III-6)	Future Development in Tapestry (2016 to 2040) (From Table B-1)	Total Development (2040)
Single-Family	Residents	164,469	39,305	125,164
	Units	50,059	13,181	36,878
Multi-Family	Residents	18,264	6,037	12,227
	Units	7,237	2,482	4,755
Total	Residents	182,732	45,342	137,391
	Units	57,296	15,663	41,633

Table B-4 below describes the total non-residential development in the City in the year 2040. This is based on the difference of Tables III-7 and B-2.

**TABLE B-4**  
**CITY OF HESPERIA**  
**ESTIMATED NON-RESIDENTIAL DEVELOPMENT**  
**(IN YEAR 2040)**  
**DOES NOT INCLUDE TAPESTRY**

Residential Property	Description	Total Development (2040) (From Table III-7)	Future Development in Tapestry (2016 to 2040) (From Table B-2)	Total Development (2040)
Commercial/Office/Retail	Employees	12,299	1,326	10,973
	Non-Res. SF	11,009,517	700,000	10,309,517
Industrial	Employees	17,069	0	17,069
	Non-Res. SF	3,289,876	0	3,289,876
Hotel/Motel	Employees	1,513	0	1,513
	Rooms	605	0	605
Total	Employees	30,881	1,326	29,555
	Non-Res. SF	14,299,393	700,000	13,599,998
	Hotel Rooms	605	0	605

### 3. EQUIVALENT DWELLING UNIT (EDU) PROJECTIONS (DOES NOT INCLUDE TAPESTRY)

Table B-5 shows the total number of future EDUs calculated for each land use for the time period from 2016 through 2040 not including Tapestry. Please note that the future EDU factors differ from the existing EDU factors due to various reasons including estimated changes in residents per unit and employees per square foot as provided by the City.

**TABLE B-5**  
**City of Hesperia**  
**Future Equivalent Dwelling Units**  
**(From 2016 to 2040)**  
**Does Not Include Tapestry**

Residential Property	Number of Future Residents	Number of Residential Units	Residents Per Unit	EDUs per Residential Unit	Total Future EDUs
Single Family	41,190	11,131	3.70	1.000	11,131
<u>Multi-Family</u>	<u>4,024</u>	<u>1,435</u>	<u>2.80</u>	<u>0.76</u>	<u>1,087</u>
Subtotal	45,214	12,566			12,218
Non-Residential Property	Number of Future Employees	Number of Non-Residential SF / Rooms	Employees per 1,000 Non-Res. SF / Room	EDUs per 1,000 Non-Res. SF / Room	Total Future EDUs
Commercial/Office/Retail	4,816	4,518,900	1.07	0.29	1,301
Industrial	7,451	1,436,072	5.19	1.40	2,014
<u>Hotel/Motel Rooms</u>	<u>530</u>	<u>212</u>	<u>2.50</u>	<u>0.14</u>	<u>143</u>
Subtotal	12,797	5,954,972			3,458
Grand Total					15,677

Table B-6 shows the total number of EDUs calculated for each land use in the year 2040 not including Tapestry:

**TABLE B-6**  
**City of Hesperia**  
**Equivalent Dwelling Units**  
**(In 2040)**  
**Does Not Include Tapestry**

Residential Property	Number of Future Residents	Number of Residential Units	Residents Per Unit	EDUs per Residential Unit	Total Future EDUs
Single Family	125,164	36,878	3.39	0.92	36,878
<u>Multi-Family</u>	<u>12,227</u>	<u>4,755</u>	<u>2.57</u>	<u>0.69</u>	<u>3,603</u>
Subtotal	137,391	41,633			40,481
Non-Residential Property	Number of Future Employees	Number of Non-Residential SF / Rooms	Employees per 1,000 Non-Res. SF / Room	EDUs per 1,000 Non-Res. SF / Room	Total Future EDUs
Commercial/Office/Retail	10,973	10,309,517	1.06	0.29	3,189
Industrial	17,069	3,289,876	5.19	1.40	4,962
<u>Hotel/Motel Rooms</u>	<u>1,513</u>	<u>605</u>	<u>2.50</u>	<u>0.14</u>	<u>445</u>
Subtotal	29,555	13,599,998			8,596
Grand Total					49,077

## APPENDIX C

### Transportation Needs List

**TABLE C-1**  
**TRANSPORTATION NEEDS LIST**

Facility/Location	Limits	Project Cost	% Allocation to New Development [1]	Cost to be Funded by Development Impact Fee
<b>Freeway Interchanges/Overpass/Railroad Crossings</b>				
<b>(All to be Federal Funds w/City Match)</b>				
I-15 at Mojave/Mauna Loa Interchange		\$65,900,000	55.40%	\$36,508,600
I-15 at Muscatel Interchange		\$65,900,000	58.70%	\$38,683,300
I-15 at Rancho Interchange		\$58,912,652	57.50%	\$32,096,529
Eucalyptus Grade Separation		\$39,000,000	58.90%	\$22,971,000
Lime Grade Separation		\$39,000,000	90.00%	\$35,100,000
Lemon/Mauna Loa Grade Separation		\$48,400,000	58.90%	\$28,507,600
<b>Subtotal</b>		<b>\$317,112,652</b>		<b>\$193,867,029</b>
<b>Major Arterials</b>				
Bear Valley Road	I-15 to Bridge over Mojave River	\$4,463,813	48.44%	\$2,162,265
Main Street	Hwy 395 to Rock Springs Rd.	\$38,245,090	58.90%	\$22,526,358
Mojave/Mauna Loa/Lemon	I-15 to "I" Ave.	\$28,740,210	58.90%	\$16,927,984
Rancho Road	Mariposa to UP RR X-ing	\$7,232,890	58.90%	\$4,260,172
Rancho Road	Topaz to 7th (Includes Aqueduct Crossing)	\$36,068,020	58.90%	\$21,244,064
Rancho Road2	7th to Danbury (Includes RR Grade Sep)	\$750,000	100.00%	\$750,000
Escondido Avenue	Mariposa to Main (Includes Aqueduct Crossing)	\$19,989,200	90.00%	\$17,990,280
Eucalyptus Street	I-15 to 11th Ave.	\$16,442,920	58.90%	\$9,684,880
Poplar St.	I-15 to Hwy 395	\$3,333,500	58.90%	\$1,963,432
Santa Fe Ave.	Rancho to Summit Valley Road	\$6,944,340	90.00%	\$6,249,906
Main Street	Hwy 395 to Bellflower St.	\$3,125,500	90.00%	\$2,812,950
Caliente Road	Joshua to Oak Hill Road	\$25,067,920	90.00%	\$22,561,128
Rancho Road	Caliente to West City Limits	\$4,184,700	90.00%	\$3,766,230
Mariposa Road	Bear Valley to Live Oak St.	\$21,534,410	90.00%	\$19,380,969
Mariposa Road	Sultana to City Limit near Forestry Rd	\$37,468,540	90.00%	\$33,721,686
Lemon Street	"I" Ave. to East City Limit	\$13,867,360	90.00%	\$12,480,624
Maple Avenue	Rancho to City Limit near Summit Valley Rd.	\$9,738,040	90.00%	\$8,764,236
Summit Valley Road	Santa Fe to Tapestry Boundary	\$14,207,960	100.00%	\$14,207,960
Arrowhead Lake Road	Summit Valley to Southern City Limit	\$6,933,680	90.00%	\$6,240,312
<b>Subtotal</b>		<b>\$298,338,093</b>		<b>\$227,695,435</b>
<b>Arterials</b>				
Hesperia Road	Bear Valley to Sultana	\$12,967,500	48.44%	\$6,281,440
"I" Avenue	Bear Valley to Rancho (Includes RR X-ing)	\$21,145,500	90.00%	\$19,030,950
7th Avenue	Bear Valley to Rancho	\$20,182,750	90.00%	\$18,164,475
Rancho Road	Danbury to "I" Ave.	\$4,440,000	90.00%	\$3,996,000
Rock Springs Road	Glendale to East City Limits	\$1,333,400	48.44%	\$645,897
Sultana Street	Mariposa to Escondido	\$5,667,220	90.00%	\$5,100,498
Arrowhead Lake Road	Rock Springs to South of Hesperia Lakes	\$7,015,750	48.44%	\$3,398,420
"C" Avenue	RR Xng to Sultana	\$5,818,750	90.00%	\$5,236,875
Cottonwood Avenue	Bear Valley to Main	\$10,008,250	48.44%	\$4,847,983
"E" Avenue	"I" Ave. to Lime (Includes RR X-ing)	\$11,471,250	48.44%	\$5,556,659
11th Avenue	Bear Valley to Main	\$10,640,000	48.44%	\$5,154,002
Lassen Road	Sultana to Poplar	\$2,075,320	48.44%	\$1,005,282
Maple Avenue	Mariposa to Rancho (Includes Aqueduct Crossing)	\$34,551,500	90.00%	\$31,096,350
Lime Street	Cottonwood to "I" Ave.	\$25,890,000	58.90%	\$15,249,210
Muscatel Street	Mariposa to Cottonwood (Includes Aqueduct Crossing)	\$25,120,000	58.90%	\$14,795,680
Cottonwood Avenue	Muscatel to Lime	\$950,000	58.90%	\$559,550
Main Street	"I" Ave. to Rock Springs	\$2,842,875	58.90%	\$1,674,453
Santa Fe Avenue	Spruce to Rancho	\$9,808,750	90.00%	\$8,827,875
Eucalyptus Avenue	11th to Peach Ave.	\$11,970,000	58.90%	\$7,050,330
Sultana Street	Mesa Linda to Lassen Rd.	\$864,500	90.00%	\$778,050
Mesa Linda Street	Main to Sultana St.	\$1,729,000	90.00%	\$1,556,100
Smoke Tree Road	Hwy 395 to Merito Rd.	\$798,000	90.00%	\$718,200
Amargosa Road	Keypointe to Avenal St.	\$12,441,000	90.00%	\$11,196,900
Escondido Avenue	Palm to North of Sultana St.	\$1,330,000	48.44%	\$644,250
Third Avenue	Bear Valley to Main St.	\$11,238,500	90.00%	\$10,114,650
Sultana Street	7th Ave. to Hesperia Rd.	\$648,375	90.00%	\$583,538
Sultana Street	Santa Fe. To I Ave.	\$3,591,000	90.00%	\$3,231,900
Jacaranda Avenue	Bear Valley to Carob St.	\$798,000	90.00%	\$718,200
Rock Springs Road	Main to Glendale Ave.	\$1,197,000	48.44%	\$579,825
Summit Valley Road	Santa Fe westerly to City Limit	\$6,916,000	100.00%	\$6,916,000
Summit Valley Road	Tapestry Boundary to East City Limit	\$6,650,000	100.00%	\$6,650,000
<b>Subtotal</b>		<b>\$272,100,190</b>		<b>\$201,359,544</b>



Facility/Location	Limits	Project Cost	% Allocation to New Development [1]	Cost to be Funded by Development Impact Fee
<b>Secondary Arterials</b>				
Danbury	Ranchero to Arrowhead Lake Rd.	\$11,172,000	48.44%	\$5,411,703
Ranchero Road	"I" Ave to Arrowhead Lake Rd.	\$5,552,750	48.44%	\$2,689,745
Joshua Street	Mariposa to Caliente Rd.	\$1,471,313	48.44%	\$712,702
Keypointe Avenue	Main to Amargosa	\$7,244,510	90.00%	\$6,520,059
Live Oak/Willow Street	Mariposa to Hesperia Rd.	\$1,695,750	48.44%	\$821,419
Fuente Avenue	Main to Live Oak St.	\$4,239,375	90.00%	\$3,815,438
Sultana Street	Maple to 7th Ave.	\$6,384,000	90.00%	\$5,745,600
Mesquite Street	Topaz to Hesperia Rd.	\$15,436,313	90.00%	\$13,892,681
Peach Avenue	Bear Valley to Ranchero Rd.	\$1,762,250	90.00%	\$1,586,025
Farmington Street	Topaz to Maple Ave.		90.00%	\$0
<b>Subtotal</b>		<b>\$54,958,260</b>		<b>\$41,195,371</b>
<b>Intersection Expansion</b>				
"C" Avenue	Intersection at Main	\$6,153,220	90.00%	\$5,537,898
<b>Subtotal</b>		<b>\$6,153,220</b>		<b>\$5,537,898</b>
<b>Transit Facility</b>		<b>\$1,200,000</b>	90.00%	<b>\$1,080,000</b>
<b>Totals</b>		<b>\$949,862,415</b>		<b>\$670,735,278</b>

## APPENDIX D

### Fee Models

## **FIRE FEE MODEL**

**City of Hesperia  
Fire Suppression Facilities  
Fee Calculation**

**Table 1**  
Inventory of Existing Facilities

Facility	Location	Description	Facility Unit	Square Feet
Fire Station 301	9430 11th Ave.	Will be torn down and rebuilt	SF	3,700
Fire Station 302	17288 Olive St.	Will be torn down and rebuilt	SF	3,435
Fire Station 304	15660 Eucalyptus St.	Will be expanded	SF	5,627
Fire Station 305	8331 Caliente Rd.	No change	SF	19,098
Subtotal for Facilities to remain at buildout				24,725
Total for all existing Facilities				31,860

**Table 2**  
Proposed Facilities

Facility	Location	Facility Unit	Number	Facility Cost
Tear Down and Rebuild Fire Station 301	9430 11th Ave.	SF	15,200	\$7,600,000
Tear Down and Rebuild Fire Station 302	17288 Olive St.	SF	18,200	\$9,240,000
Fire Station 304 Expansion	15660 Eucalyptus St.	SF	4,200	\$2,333,000
Total Facilities Cost		NA	37,600	\$19,173,000

**Table 3**  
Allocation of Facilities to Existing and New Development (Does not include Tapestry Specific Plan)  
Based on Total EDUs - Credit given to existing development

Type of Development	EDUs	Percentage of Total EDUs	Total SF in 2040	SF Credit	Allocated SF	Percentage of Costs Allocated	Total Cost
Existing Development	33,400	68.06%	42,417	(24,725)	17,692	47.05%	\$9,021,258
Future Development	15,677	31.94%	19,908	0	19,908	52.95%	\$10,151,742
Total	49,077	100.00%	62,325	(24,725)	37,600	100.00%	\$19,173,000

**Table 4**  
Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
Tear Down and Rebuild Fire Station 301	\$4,024,057	15,677	\$257
Tear Down and Rebuild Fire Station 302	\$4,892,406	15,677	\$312
Fire Station 304 Expansion	\$1,235,280	15,677	\$79
Total	\$10,151,742	NA	\$648

**Table 5**  
Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$648	NA	NA	\$7,208,120
Multi-Family	0.76	NA	NA	\$491	NA	NA	\$704,187
Commercial/Office	NA	0.29	NA	NA	\$187	NA	\$842,785
Industrial	NA	1.40	NA	NA	\$908	NA	\$1,303,902
Hotel/Motel	NA	NA	0.68	NA	NA	\$437	\$92,748
Total							\$10,151,742
Cost Allocated to Existing Development							\$9,021,258
Total Cost of Fire Suppression Facilities							\$19,173,000

## **POLICE FEE MODEL**

**City of Hesperia  
Police Facilities  
Fee Calculation**

**Table 1**  
Proposed Facilities

Facility	Location	Facility Unit	Number	Facility Cost
<u>Mobile Cameras</u>				
Mobile LPR 4 Camera Unit	NA	Units	15	\$190,500
<u>Fixed Cameras</u>				
ALPR Camera	Bear Valley Rd & Mariposa Rd	Unit	1	\$86,532
ALPR Camera	Bear Valley Rd & Hesperia Rd	Unit	1	\$73,310
ALPR Camera	Bear Valley Rd and I Ave	Unit	1	\$73,310
ALPR Camera	Bear Valley Rd & Jacaranda Ave	Unit	1	\$60,088
ALPR Camera	Main St & Rock Springs Rd	Unit	1	\$90,132
ALPR Camera	Ranchero Rd & Santa Fe Ave	Unit	1	\$106,954
Total Facilities Cost		NA	21	\$680,826

**Table 2**  
Allocation of Facilities to Existing and New Development  
Based on Total EDUs (includes Tapestry)

Type of Development	EDUs	Percentage of Total EDUs	Allocated Units	Total Cost
Existing Development	33,400	51.37%	11	\$349,754
Future Development	31,616	48.63%	10	\$331,072
Total	65,016	100.00%	21	\$680,826

**Table 3**  
Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
Mobile Cameras	\$92,636	31,616	\$3
Fixed Cameras	\$238,436	31,616	\$8
Total	\$331,072	NA	\$10

**Table 4**  
Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$10	NA	NA	\$254,586
Multi-Family	0.78	NA	NA	\$8	NA	NA	\$31,819
Commercial/Office	NA	0.36	NA	NA	\$4	NA	\$19,426
Industrial	NA	1.57	NA	NA	\$16	NA	\$23,566
Hotel/Motel	NA	NA	0.76	NA	NA	\$8	\$1,676
Total							\$331,072
Cost Allocated to Existing Development							\$349,754
Total Cost of Police Facilities							\$680,826

## **ANIMAL CONTROL FEE MODEL**



**City of Hesperia  
Animal Control Facilities  
Fee Calculation**

**Table 1**

Inventory of Existing Facilities

Facility	Facility Unit	Number
Animal Control Facility	SF	10,000

*Note: Existing 10,000 square foot animal shelter facility will no longer be used and will be replaced with a new 36,000 square foot facility.*

**Table 2**

Proposed Facilities

New Animal Control Facility	Facility Unit	Number	Facility Cost (2015\$)
New Animal Control Facility	SF	36,000	\$12,600,000

**Table 3**

Allocation of Costs to Existing &amp; New Development (based on total EDUs - includes Tapestry)

Type of Development	Residential EDUs	Percentage of Total EDUs	Total SF	Total Cost
Existing Development	28,262	50.82%	18,295	\$6,403,263
Future Development	27,351	49.18%	17,705	\$6,196,737
<b>Total</b>	<b>55,613</b>	<b>100.00%</b>	<b>36,000</b>	<b>\$12,600,000</b>

**Table 4**

Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future Residential EDUs	Cost Per EDU
New Animal Control Facility [2]	\$6,196,737	27,351	\$227
<b>Total</b>	<b>\$6,196,737</b>	<b>NA</b>	<b>\$227</b>

**Table 5**

Development Impact Fee per Unit

Land Use Type	EDUs per Unit	Fees per Unit	Fees per 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$227	NA	\$5,508,291
Multi-Family	0.78	\$176	NA	\$688,446
Commercial/Office	NA	NA	NA	\$0
Industrial	NA	NA	NA	\$0
Hotel/Motel	NA	NA	NA	\$0
<b>Total</b>				<b>\$6,196,737</b>
<b>Cost Allocated to Existing Development</b>				<b>\$6,403,263</b>
<b>Total Cost</b>				<b>\$12,600,000</b>

[1] EDU = Equivalent Dwelling Unit.

[2] City already owns site where building is to be constructed.

## **CITY HALL FEE MODEL**

**City of Hesperia  
City Hall Facilities  
Fee Calculation**

**Table 1****Proposed Costs**

Allocation of Debt Service of the 2013 Civic Plaza Bonds	Total Debt Service 2013 Civic Plaza Bond
Amount Funded by General Fund	\$2,522,253
Amount Funded by DIF	\$17,260,122
<b>Total</b>	<b>\$19,782,375</b>

**Table 2****Allocation of Costs to New Development (includes Tapestry)**

Debt Service	Percentage Allocation [1]	Total Cost
Existing Development	12.75%	\$2,522,253
Future Development	87.25%	\$17,260,122
<b>Total</b>	<b>100.00%</b>	<b>\$19,782,375</b>

**Table 3****Proposed Cost Per EDU**

Costs	Cost	Number of Future EDUs	Cost Per EDU
Debt Service	\$17,260,122	31,616	\$546
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$546</b>

**Table 4****Development Impact Fee per Unit**

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$546	NA	NA	\$13,272,575
Multi-Family	0.78	NA	NA	\$424	NA	NA	\$1,658,854
Commercial/Office	NA	0.36	NA	NA	\$194	NA	\$1,012,733
Industrial	NA	1.57	NA	NA	\$856	NA	\$1,228,570
Hotel/Motel	NA	NA	0.76	NA	NA	\$412	\$87,390
<b>Total</b>							<b>\$17,260,122</b>
<b>Cost Allocated to Existing Development</b>							<b>\$2,522,253</b>
<b>Total Cost</b>							<b>\$19,782,375</b>

[1] Based on information provided by City, all \$17,260,122 in debt service allocated to the DIF is for costs associated with the Civic Plaza Project needed for new development only.

## **RECORDS STORAGE FEE MODEL**

**City of Hesperia  
Records Storage Facility  
Fee Calculation**

**Table 1**

Inventory of Existing Facilities

Facility	Facility Unit	Number
Existing Facility (will be rebuilt at a new location)	SF	3,000

*Note: The City plans to abandon the existing 3,000 square foot storage facility and build a new 6,000 square foot facility.*

**Table 2**

Proposed Facilities

Facility	Facility Unit	Number	Facility Cost
New Records Storage Facility	SF	6,000	\$1,716,000

**Table 3**

Allocation of Facilities to Existing and New Development (Based on Total EDUs - includes Tapestry)

Type of Development	EDUs	Percentage of Total EDUs	Total SF	Total Cost
Existing Development	33,400	51.37%	3,082	\$881,543
Future Development	31,616	48.63%	2,918	\$834,457
<b>Total</b>	<b>65,016</b>	<b>100.00%</b>	<b>6,000</b>	<b>\$1,716,000</b>

**Table 4**

Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
New Records Storage Facility	\$834,457	31,616	\$26
<b>Total</b>	<b>\$834,457</b>	<b>NA</b>	<b>\$26</b>

**Table 5**

Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$26	NA	NA	\$641,675
Multi-Family	0.78	NA	NA	\$20	NA	NA	\$80,199
Commercial/Office	NA	0.36	NA	NA	\$9	NA	\$48,962
Industrial	NA	1.57	NA	NA	\$41	NA	\$59,396
Hotel/Motel	NA	NA	0.76	NA	NA	\$20	\$4,225
<b>Total</b>							<b>\$834,457</b>
<b>Cost Allocated to Existing Development</b>							<b>\$881,543</b>
<b>Total Cost</b>							<b>\$1,716,000</b>

## **DRAINAGE FEE MODEL**

**City of Hesperia  
Drainage Facilities  
Fee Calculation**

**Table 1**  
Existing ERUs

Land Use	Residential Units/ Non Residential. KSF./hotel rooms	Density (EDU/acre)	FAR	Acres, "A"	Runoff Coefficient, "C"	ERU by acres
Single Family Residential	25,747	4.0		6,436.8	0.70	4,505.7
Multi Family Residential	3,320	12.0		276.7	0.80	221.3
Commercial/Office	5,791		0.4	332.3	0.95	315.7
Industrial	1,853.8		0.2	212.8	1.00	212.8
Hotel/Motel	393			11.5	0.90	10.4
				7,270.0	sub total	5,265.9
					% of Total =	51.43%

**Table 2**  
Future ERUs (2015 to buildout)

Land Use	Residential Units/ Non Residential. KSF./hotel rooms	Density (units/acre)	FAR	Acres, "A"	Runoff Coefficient, "C"	Runoff Q = C x A
Single Family Residential	24,312	4.0		6,078.0	0.70	4,254.6
Multi Family Residential	3,917	12.0		326.4	0.80	261.1
Commercial/Office	5,219		0.4	299.5	0.95	284.5
Industrial	1,436		0.2	164.8	1.00	164.8
Hotel/Motel	212			9.1	0.90	8.2
				6,877.9	sub total	4,973.3
					% of Total =	48.57%
					Total ERUs =	10,239.2

**Table 3**  
Cost per ERU

New ERUs	Total Cost Allocated to New Development	Cost per ERU
4,973.3	\$39,428,606	\$7,928.04

**Table 4**  
Fee Schedule

Land Use	Density (units/acre)	Acres	Runoff Coefficient	Q = Runoff / Density	Cost per ERU	DIF Fee per unit / 1,000 SF/room	Fee Units	Cost Financed by DIF
Single Family Residential	4.0		0.70	0.175	\$7,928	<b>\$1,387.41</b>	residential unit	\$33,730,649
Multi Family	12.0		0.80	0.067	\$7,928	<b>\$528.54</b>	residential unit	\$2,070,276
Commercial/Office		0.4	0.95	0.055	\$7,928	<b>\$432.26</b>	square feet	\$2,255,904
Industrial		0.2	1.00	0.115	\$7,928	<b>\$910.01</b>	square feet	\$1,306,846
Hotel/Motel			0.90	0.900	\$7,928	<b>\$306.28</b>	room	\$64,931
Total								\$39,428,606
Cost Allocated to Existing Development								\$41,748,394
Total Cost								\$81,177,000



## **TRANSPORTATION FEE MODEL**

**City of Hesperia  
Transportation Facilities  
Fee Calculation**

**TABLE 1**

**Existing Average Daily Trips**

Land Use	Trip Rate (ADTs)	Res. Units / 1,000 S.F./ Rooms	units	ADT
Single Family	9.57	25,747	Res. Units	246,399
Multi Family	6.63	3,320	Res. Units	22,012
Commercial/Office	13.27	5,791	1,000 square feet	76,841
Industrial	6.97	1,854	1,000 square feet	12,921
Hotel/Motel	8.92	393	Rooms	3,506
Total Existing ADTs				361,678
% of total ADTs =				51.56%

**TABLE 2**

**Future Average Daily Trips (Includes Tapestry Specific Plan)**

Land Use	Trip Rate (ADTs)	Res. Units / 1,000 S.F./ Rooms	units	ADT
Single Family	9.57	24,312	Res. Units	232,666
Multi Family	6.63	3,917	Res. Units	25,970
Commercial/Office	13.27	5,219	1,000 square feet	69,255
Industrial	6.97	1,436	1,000 square feet	10,009
Hotel/Motel	8.92	212	Rooms	1,891
Total Future ADTs				339,791
% of total ADTs =				48.44%
Total ADTs =				701,469

**TABLE 3**

**Cost per ADT**

Total Transportation Costs Allocated to New Development	Total Future ADT's	Cost per future ADT
\$670,735,278	339,791	\$1,974

**TABLE 4**

**Transportation Fee Schedule**

Land Use	Trip Rate (ADTs)	Cost per ADT	Units	DIF Fee per unit / 1,000 SF/ Room	Cost Financed by DIF
Single Family	9.57	\$1,974	Res. Units	<b>\$18,891</b>	\$459,274,295
Multi Family	6.63	\$1,974	Res. Units	<b>\$13,087</b>	\$51,263,306
Commercial/Office	13.27	\$1,974	1,000 square feet	<b>\$26,195</b>	\$136,706,578
Industrial	6.97	\$1,974	1,000 square feet	<b>\$13,759</b>	\$19,758,251
Hotel/Motel	8.92	\$1,974	Rooms	<b>\$17,608</b>	\$3,732,847
Total=					\$670,735,278

# ATTACHMENT 3

## CITY OF HESPERIA DEMOGRAPHICS INFORMATION & EDU CALCULATION

Residential Property	Existing Development (2015)				Total Existing EDUs
	Number of Residents	Number of Residential Units	Residents per Residential Unit	EDUs per Residential Unit	
Single Family	83,974 [2]	25,747 [1]	3.26	1.00	25,747
Multi-Family	8,203 [2]	3,320 [1]	2.42	0.76	2,515
Subtotal	92,177 [1]	29,067 [1]			28,262
Non-Residential Property	Number of Employees	Number of Non-Residential SF/Rooms	Employees per 1,000 Non-Res. SF/Room	EDUs per 1,000 Non-Res. SF	Total Existing EDUs
Commercial/Office	6,157 [3, 10]	5,790,617 [4, 10]	1.06	0.33	1,888
Industrial	9,618 [3]	1,853,804 [4]	5.19	1.59	2,949
Hotel/Motel	983 [12]	393 [11]	2.50	0.77	301
Subtotal	16,758 [3]	7,644,421			5,138
Grand Total					33,400

Residential Property	Future Development (2016 - 2040) (Does not include Tapestry)				Total Future EDUs (w/out Tapestry)
	Number of Residents	Number of Residential Units	Residents per Residential Unit	EDUs per Residential Unit	
Single Family	41,190 [5]	11,131 [6]	3.70	1.00	11,131
Multi-Family	4,024 [5]	1,435 [6]	2.80	0.76	1,087
Subtotal	45,214	12,566			12,218
Non-Residential Property	Number of Employees	Number of Non-Residential SF/Rooms	Employees per 1,000 Non-Res. SF/Room	EDUs per 1,000 Non-Res. SF/Room	Total Future EDUs (w/out Tapestry)
Commercial/Office	4,816 [3, 10]	4,518,900 [7, 10]	1.07	0.29	1,301
Industrial	7,451 [3]	1,436,072 [7]	5.19	1.40	2,014
Hotel/Motel	530 [12]	212 [11]	2.50	0.68	143
Subtotal	12,797 [3]	5,954,972			3,458
Grand Total					15,677

Residential Property	Future Development (2016 - 2040) (Including Tapestry)				Total Future EDUs (including Tapestry)
	Number of Residents	Number of Residential Units	Residents per Residential Unit	EDUs per Residential Unit	
Single Family	80,495 [8]	24,312 [8]	3.31	1.00	24,312
Multi-Family	10,061 [8]	3,917 [8]	2.57	0.78	3,039
Subtotal	90,556 [8]	28,229 [8]			27,351
Non-Residential Property	Number of Employees	Number of Non-Residential SF	Employees per 1,000 Non-Res. SF/Room	EDUs per 1,000 Non-Res. SF/Room	Total Future EDUs (including Tapestry)
Commercial/Office	6,142 [9, 10]	5,218,900 [9, 10]	1.18	0.36	1,855
Industrial	7,451 [3]	1,436,072 [7]	5.19	1.57	2,250
Hotel/Motel	530 [12]	212 [11]	2.50	0.76	160
Subtotal	14,123	6,654,972			4,266
Grand Total					31,616

Residential Property	Total Development (2040) (Does not include Tapestry)				Total Future EDUs (w/out Tapestry)
	Number of Residents	Number of Residential Units	Residents per Residential Unit	EDUs per Residential Unit	
Single Family	125,164	36,878	3.39	0.92	36,878
Multi-Family	12,227	4,755	2.57	0.69	3,693
Subtotal	137,391	41,633			40,481
Non-Residential Property	Number of Employees	Number of Non-Residential SF/Rooms	Employees per 1,000 Non-Res. SF/Room	EDUs per 1,000 Non-Res. SF/Room	Total Future EDUs (w/out Tapestry)
Commercial/Office	10,973	10,309,517	1.06	0.29	3,189
Industrial	17,069	3,289,876	5.19	1.40	4,962
Hotel/Motel	1,513	605	2.50	0.68	445
Subtotal	29,555	13,599,998			8,152
Grand Total					48,632

Residential Property	Total Development (2040) (Including Tapestry)				Total Future EDUs (including Tapestry)
	Number of Residents	Number of Residential Units	Residents per Residential Unit	EDUs per Residential Unit	
Single Family	164,469	50,059	3.29	0.89	50,059
Multi-Family	18,264	7,237	2.52	0.68	5,554
Subtotal	182,732	57,296			55,613
Non-Residential Property	Number of Employees	Number of Non-Residential SF/Rooms	Employees per 1,000 Non-Res. SF/Room	EDUs per 1,000 Non-Res. SF/Room	Total Future EDUs (including Tapestry)
Commercial/Office	12,299	11,009,517	1.12	0.30	3,743
Industrial	17,069	3,289,876	5.19	1.40	5,199
Hotel/Motel	1,513	605	2.50	0.68	461
Subtotal	30,881	14,299,993			9,404
Grand Total					65,016

[1] Based on data provided by California Department of Finance as of 1/1/15.

[2] Based on population per household of 3.3 for Single-Family units and 2.5 for Multi-Family units from Table 03-9 of the 2010 City General Plan.

[3] Based on Year 2012 figures and annual growth rate shown in Table 1 of Southern California Association of Governments (SCAG) 2016-2040 RFP/SCS dated 5/14/14. DTA utilized 2012 figures and estimated to 2015 based on the annual growth rate of 2.32% indicated in the SCAG data.

[4] Based on Tables 3 and 4 of the City's December 2010 EIR. Per discussion with Dave Reno 12/17/15, add in 600,000 sq. ft. to commercial/office/retail to bring up to the year 2015.

[5] Based on population per household factors used for existing development and increased such factors so that the overall persons per household is equal to the overall rate of 3.60 persons per household provided by the City.

[6] Based on the same ratio of existing single family and multi-family residents/units.

[7] Based on existing 2015 employees per 1,000 sq. ft. factors.

[8] Based on information provided by the City 1/30/18. DTA will need additional backup in order to prepare the final fee study report.

[9] Based on Exhibit A-3 of Fiscal Impact Report for the Tapestry Project dated 8/22/14 prepared by DTA.

[10] Removed employees and building square footage from commercial property related to hotel/motel property.

[11] Based on information provided by City 9/14/17.

[12] Based on 2.50 employees per room.

**City of Hesperia  
Development Impact Fee Summary**

Development Impact Fee Category	Single Family Residence (per Unit)	Multi-Family Residence (per Unit)	Commercial/ Office/Retail (per 1,000 SF)	Industrial (per 1,000 SF)	Hotel/Motel (per Room) <sup>1</sup>
Fire Suppression Facilities, Vehicles, & Equipment	\$648	\$491	\$187	\$908	\$437
Police Facilities	\$10	\$8	\$4	\$16	\$8
Animal Control Facilities	\$227	\$176	\$0	\$0	\$0
City Hall Facilities	\$546	\$424	\$194	\$856	\$412
Records Storage Facilities	\$26	\$20	\$9	\$41	\$20
Drainage Facilities	\$1,387	\$529	\$432	\$910	\$306
Transportation Facilities	\$18,891	\$13,087	\$26,195	\$13,759	\$17,608
<b>Total Fee</b>	<b>\$21,735</b>	<b>\$14,735</b>	<b>\$27,020</b>	<b>\$16,490</b>	<b>\$18,792</b>

## Notes:

1. Drainage Fee for Hotel/Motel category is on a per gross acreage basis

**City of Hesperia  
Fire Suppression Facilities  
Fee Calculation**

**Table 1**  
Inventory of Existing Facilities

Facility	Location	Description	Facility Unit	Square Feet
Fire Station 301	9430 11th Ave.	Will be torn down and rebuilt	SF	3,700
Fire Station 302	17288 Olive St.	Will be torn down and rebuilt	SF	3,435
Fire Station 304	15660 Eucalyptus St.	Will be expanded	SF	5,627
Fire Station 305	8331 Caliente Rd.	No change	SF	19,098
Subtotal for Facilities to remain at buildout				24,725
Total for all existing Facilities				31,860

**Table 2**  
Proposed Facilities

Facility	Location	Facility Unit	Number	Facility Cost
Tear Down and Rebuild Fire Station 301	9430 11th Ave.	SF	15,200	\$7,600,000
Tear Down and Rebuild Fire Station 302	17288 Olive St.	SF	18,200	\$9,240,000
Fire Station 304 Expansion	15660 Eucalyptus St.	SF	4,200	\$2,333,000
Total Facilities Cost		NA	37,600	\$19,173,000

**Table 3**  
Allocation of Facilities to Existing and New Development (Does not include Tapestry Specific Plan)  
Based on Total EDUs - Credit given to existing development

Type of Development	EDUs	Percentage of Total EDUs	Total SF in 2040	SF Credit	Allocated SF	Percentage of Costs Allocated	Total Cost
Existing Development	33,400	68.06%	42,417	(24,725)	17,692	47.05%	\$9,021,258
Future Development	15,677	31.94%	19,908	0	19,908	52.95%	\$10,151,742
Total	49,077	100.00%	62,325	(24,725)	37,600	100.00%	\$19,173,000

**Table 4**  
Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
Tear Down and Rebuild Fire Station 301	\$4,024,057	15,677	\$257
Tear Down and Rebuild Fire Station 302	\$4,892,406	15,677	\$312
Fire Station 304 Expansion	\$1,235,280	15,677	\$79
Total	\$10,151,742	NA	\$648

**Table 5**  
Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$648	NA	NA	\$7,208,120
Multi-Family	0.76	NA	NA	\$491	NA	NA	\$704,187
Commercial/Office	NA	0.29	NA	NA	\$187	NA	\$842,785
Industrial	NA	1.40	NA	NA	\$908	NA	\$1,303,902
Hotel/Motel	NA	NA	0.68	NA	NA	\$437	\$92,748
Total							\$10,151,742
Cost Allocated to Existing Development							\$9,021,258
Total Cost of Fire Suppression Facilities							\$19,173,000

**City of Hesperia  
Police Facilities  
Fee Calculation**

**Table 1**  
Proposed Facilities

Facility	Location	Facility Unit	Number	Facility Cost
<u>Mobile Cameras</u>				
Mobile LPR 4 Camera Unit	NA	Units	15	\$190,500
<u>Fixed Cameras</u>				
ALPR Camera	Bear Valley Rd & Mariposa Rd	Unit	1	\$86,532
ALPR Camera	Bear Valley Rd & Hesperia Rd	Unit	1	\$73,310
ALPR Camera	Bear Valley Rd and I Ave	Unit	1	\$73,310
ALPR Camera	Bear Valley Rd & Jacaranda Ave	Unit	1	\$60,088
ALPR Camera	Main St & Rock Springs Rd	Unit	1	\$90,132
ALPR Camera	Ranchero Rd & Santa Fe Ave	Unit	1	\$106,954
Total Facilities Cost		NA	21	\$680,826

**Table 2**  
Allocation of Facilities to Existing and New Development  
Based on Total EDUs (includes Tapestry)

Type of Development	EDUs	Percentage of Total EDUs	Allocated Units	Total Cost
Existing Development	33,400	51.37%	11	\$349,754
Future Development	31,616	48.63%	10	\$331,072
Total	65,016	100.00%	21	\$680,826

**Table 3**  
Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
Mobile Cameras	\$92,636	31,616	\$3
Fixed Cameras	\$238,436	31,616	\$8
Total	\$331,072	NA	\$10

**Table 4**  
Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$10	NA	NA	\$254,586
Multi-Family	0.78	NA	NA	\$8	NA	NA	\$31,819
Commercial/Office	NA	0.36	NA	NA	\$4	NA	\$19,426
Industrial	NA	1.57	NA	NA	\$16	NA	\$23,566
Hotel/Motel	NA	NA	0.76	NA	NA	\$8	\$1,676
Total							\$331,072
Cost Allocated to Existing Development							\$349,754
Total Cost of Police Facilities							\$680,826

**City of Hesperia  
Animal Control Facilities  
Fee Calculation**

**Table 1**

Inventory of Existing Facilities

Facility	Facility Unit	Number
Animal Control Facility	SF	10,000

*Note: Existing 10,000 square foot animal shelter facility will no longer be used and will be replaced with a new 36,000 square foot facility.*

**Table 2**

Proposed Facilities

	Facility Unit	Number	Facility Cost (2015\$)
New Animal Control Facility	SF	36,000	\$12,600,000

**Table 3**

Allocation of Costs to Existing &amp; New Development (based on total EDUs - includes Tapestry)

Type of Development	Residential EDUs	Percentage of Total EDUs	Total SF	Total Cost
Existing Development	28,262	50.82%	18,295	\$6,403,263
Future Development	27,351	49.18%	17,705	\$6,196,737
<b>Total</b>	<b>55,613</b>	<b>100.00%</b>	<b>36,000</b>	<b>\$12,600,000</b>

**Table 4**

Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future Residential EDUs	Cost Per EDU
New Animal Control Facility [2]	\$6,196,737	27,351	\$227
<b>Total</b>	<b>\$6,196,737</b>	<b>NA</b>	<b>\$227</b>

**Table 5**

Development Impact Fee per Unit

Land Use Type	EDUs per Unit	Fees per Unit	Fees per 1,000 SF	Cost Financed by DIF
Single Family	1.00	\$227	NA	\$5,508,291
Multi-Family	0.78	\$176	NA	\$688,446
Commercial/Office	NA	NA	NA	\$0
Industrial	NA	NA	NA	\$0
Hotel/Motel	NA	NA	NA	\$0
<b>Total</b>				<b>\$6,196,737</b>
<b>Cost Allocated to Existing Development</b>				<b>\$6,403,263</b>
<b>Total Cost</b>				<b>\$12,600,000</b>

[1] EDU = Equivalent Dwelling Unit.

[2] City already owns site where building is to be constructed.

**City of Hesperia  
City Hall Facilities  
Fee Calculation**

**Table 1****Proposed Costs**

Allocation of Debt Service of the 2013 Civic Plaza Bonds	Total Debt Service 2013 Civic Plaza Bond
Amount Funded by General Fund	\$2,522,253
Amount Funded by DIF	\$17,260,122
<b>Total</b>	<b>\$19,782,375</b>

**Table 2****Allocation of Costs to New Development (includes Tapestry)**

Debt Service	Percentage Allocation [1]	Total Cost
Existing Development	0.00%	\$0
Future Development	100.00%	\$17,260,122
<b>Total</b>	<b>100.00%</b>	<b>\$17,260,122</b>

**Table 3****Proposed Cost Per EDU**

Costs	Cost	Number of Future EDUs	Cost Per EDU
Debt Service	\$17,260,122	31,616	\$546
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>\$546</b>

**Table 4****Development Impact Fee per Unit**

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$546	NA	NA	\$13,272,575
Multi-Family	0.78	NA	NA	\$424	NA	NA	\$1,658,854
Commercial/Office	NA	0.36	NA	NA	\$194	NA	\$1,012,733
Industrial	NA	1.57	NA	NA	\$856	NA	\$1,228,570
Hotel/Motel	NA	NA	0.76	NA	NA	\$412	\$87,390
<b>Total</b>							<b>\$17,260,122</b>
Cost Allocated to Existing Development							\$0
<b>Total Cost</b>							<b>\$17,260,122</b>

[1] Based on information provided by City, all \$17,260,122 in debt service allocated to the DIF is for costs associated with the Civic Plaza Project needed for new development only.



**City of Hesperia  
Records Storage Facility  
Fee Calculation**

**Table 1**

Inventory of Existing Facilities

Facility	Facility Unit	Number
Existing Facility (will be rebuilt at a new location)	SF	3,000

*Note: The City plans to abandon the existing 3,000 square foot storage facility and build a new 6,000 square foot facility.*

**Table 2**

Proposed Facilities

Facility	Facility Unit	Number	Facility Cost
New Records Storage Facility	SF	6,000	\$1,716,000

**Table 3**

Allocation of Facilities to Existing and New Development (Based on Total EDUs - includes Tapestry)

Type of Development	EDUs	Percentage of Total EDUs	Total SF	Total Cost
Existing Development	33,400	51.37%	3,082	\$881,543
Future Development	31,616	48.63%	2,918	\$834,457
<b>Total</b>	<b>65,016</b>	<b>100.00%</b>	<b>6,000</b>	<b>\$1,716,000</b>

**Table 4**

Proposed Facilities and Cost Per EDU

Facility	Cost	Number of Future EDUs	Cost Per EDU
New Records Storage Facility	\$834,457	31,616	\$26
<b>Total</b>	<b>\$834,457</b>	<b>NA</b>	<b>\$26</b>

**Table 5**

Development Impact Fee per Unit or 1,000 SF

Land Use Type	EDUs per Unit	EDUs per 1,000 SF	EDUs per Room	Fees per Unit	Fees per 1,000 SF	Fees per Room	Cost Financed by DIF
Single Family	1.00	NA	NA	\$26	NA	NA	\$641,675
Multi-Family	0.78	NA	NA	\$20	NA	NA	\$80,199
Commercial/Office	NA	0.36	NA	NA	\$9	NA	\$48,962
Industrial	NA	1.57	NA	NA	\$41	NA	\$59,396
Hotel/Motel	NA	NA	0.76	NA	NA	\$20	\$4,225
<b>Total</b>							<b>\$834,457</b>
<b>Cost Allocated to Existing Development</b>							<b>\$881,543</b>
<b>Total Cost</b>							<b>\$1,716,000</b>

### DRAINAGE IMPROVEMENTS

Project Number	Location	Improvement Type	Cost	% of Cost Allocated to New Development	Cost Allocated to New Development
1	Escondido Ave. to Eucalyptus St., Line A-04	Storm Drainage System, Detention Basins	\$ 21,120,000	48.57%	\$ 10,258,228
2	Muscatel Ave. to Main St., Line H-01	Storm Drainage System	\$ 11,367,000	48.57%	\$ 5,521,083
3	4th to 3rd, Line H-01	Storm Drainage System, Street Crossing/Culvert	\$ 1,400,000	48.57%	\$ 679,996
4	Arrowhead Lake Rd. between Centennial St. and Sutter St., Line D-01	Street Crossing/Culvert	\$ 970,000	48.57%	\$ 471,140
5	Lemon Street between G Ave. and H Ave., Line H-02	Street Crossing/Culvert	\$ 800,000	48.57%	\$ 388,569
6	Lemon Street between C Ave. and E Ave., Line H-01	Street Crossing/Culvert	\$ 1,300,000	48.57%	\$ 631,425
7	E Ave. to I Ave., Line H-01 and H-03	Storm Drainage System, Street Crossing/Culvert	\$ 2,320,000	48.57%	\$ 1,126,851
8	Orchard Ave., North of Lilac St., Line H-01	Street Crossing/Culvert	\$ 660,000	48.57%	\$ 320,570
9	I Ave. to Line H-01 (near Talisman), Line H-02	Storm Drainage System, Street Crossing/Culvert	\$ 2,040,000	48.57%	\$ 990,852
10	Third Ave. to Railroad Tracks, Line H-01	Storm Drainage System	\$ 9,900,000	48.57%	\$ 4,808,544
11	Local Flood Control Basins (City-wide)	Detention/Retention Basins	\$ 8,000,000	48.57%	\$ 3,885,692
12	Walnut Basin, Line H-01	Detention Basin	\$ 3,700,000	48.57%	\$ 1,797,133
13	Temecula Basin, Line C-01	Detention Basin	\$ 3,900,000	48.57%	\$ 1,894,275
14	Peach Ave. between Centennial St. and Hinton St., Line D-01	Street Crossing/Culvert, Raise Road	\$ 400,000	48.57%	\$ 194,285
15	11th Ave. at Elm St. to Hesperia Rd., Line H-02	Storm Drainage System, Detention Basins	\$ 13,300,000	48.57%	\$ 6,459,963
			\$ 81,177,000		\$39,428,606

**City of Hesperia  
Drainage Facilities  
Fee Calculation**

**Table 1**  
Existing ERUs

Land Use	Residential Units/ Non Residential. KSF./hotel rooms	Density (EDU/acre)	FAR	Acres, "A"	Runoff Coefficient, "C"	ERU by acres	
Single Family Residential	25,747	4.0		6,436.8	0.70	4,505.7	
Multi Family Residential	3,320	12.0		276.7	0.80	221.3	
Commercial/Office	5,791		0.4	332.3	0.95	315.7	
Industrial	1,853.8		0.2	212.8	1.00	212.8	
Hotel/Motel	393			11.5	0.90	10.4	
				7,270.0	sub total	5,265.9	
					% of Total =	51.43%	

**Table 2**  
Future ERUs (2015 to buildout)

Land Use	Residential Units/ Non Residential. KSF./hotel rooms	Density (units/acre)	FAR	Acres, "A"	Runoff Coefficient, "C"	Runoff Q = C x A	
Single Family Residential	24,312	4.0		6,078.0	0.70	4,254.6	
Multi Family Residential	3,917	12.0		326.4	0.80	261.1	
Commercial/Office	5,219		0.4	299.5	0.95	284.5	
Industrial	1,436		0.2	164.8	1.00	164.8	
Hotel/Motel	212			9.1	0.90	8.2	
				6,877.9	sub total	4,973.3	
					% of Total =	48.57%	
					Total ERUs =	10,239.2	

**Table 3**  
Cost per ERU

New ERUs	Total Cost Allocated to New Development	Cost per ERU
4,973.3	\$39,428,606	\$7,928.04

**Table 4**  
Fee Schedule

Land Use	Density (units/acre)	Acres	Runoff Coefficient	Q = Runoff / Density	Cost per ERU	DIF Fee per unit / 1,000 SF/room	Fee Units	Cost Financed by DIF
Single Family Residential	4.0		0.70	0.175	\$7,928	<b>\$1,387.41</b>	residential unit	\$33,730,649
Multi Family	12.0		0.80	0.067	\$7,928	<b>\$528.54</b>	residential unit	\$2,070,276
Commercial/Office		0.4	0.95	0.055	\$7,928	<b>\$432.26</b>	square feet	\$2,255,904
Industrial		0.2	1.00	0.115	\$7,928	<b>\$910.01</b>	square feet	\$1,306,846
Hotel/Motel			0.90	0.900	\$7,928	<b>\$306.28</b>	room	\$64,931
Total								\$39,428,606
Cost Allocated to Existing Development								\$41,748,394
Total Cost								\$81,177,000

General Benefit = 10.00%  
Allocation to New Development = 48.44%  
SABAGH = 58.90%

TRANSPORTATION FACILITIES

Facility/Location	Limits	Project Cost	% Allocation to New Development <sup>1</sup>	Cost to be Funded by Development Impact Fee
<b>Freeway Interchanges/Overpass/Railroad Crossings</b>				
<b>(All to be Federal Funds w/City Match)</b>				
I-15 at Mojave/Mauna Loa Interchange		\$ 65,900,000	55.40%	\$ 36,508,600
I-15 at Muscatel Interchange		\$ 65,900,000	58.70%	\$ 38,683,300
I-15 at Rancho Interchange		\$ 58,912,652	57.50%	\$ 32,096,529
Eucalyptus Grade Separation		\$ 39,000,000	58.90%	\$ 22,971,000
Lime Grade Separation		\$ 39,000,000	90.00%	\$ 35,100,000
Lemon/Mauna Loa Grade Separation		\$ 48,400,000	58.90%	\$ 28,507,600
<b>Subtotal</b>		<b>\$ 317,112,652</b>		<b>\$ 193,867,029</b>
<b>Major Arterials</b>				
Bear Valley Road	I-15 to Bridge over Mojave River	\$ 4,463,813	48.44%	\$ 2,162,265
Main Street	Hwy 395 to Rock Springs Rd.	\$ 38,245,090	58.90%	\$ 22,526,358
Mojave/Mauna Loa/Lemon	I-15 to "I" Ave.	\$ 28,740,210	58.90%	\$ 16,927,984
Ranchero Road	Mariposa to UP RR X-ing	\$ 7,232,890	58.90%	\$ 4,260,172
Ranchero Road	Topaz to 7th (Includes Aqueduct Crossing)	\$ 36,068,020	58.90%	\$ 21,244,064
Ranchero Road <sup>2</sup>	7th to Danbury (Includes RR Grade Sep)	\$ 750,000	100.00%	\$ 750,000
Escondido Avenue	Mariposa to Main (Includes Aqueduct Crossing)	\$ 19,989,200	90.00%	\$ 17,990,280
Eucalyptus Street	I-15 to 11th Ave.	\$ 16,442,920	58.90%	\$ 9,684,880
Poplar St.	I-15 to Hwy 395	\$ 3,333,500	58.90%	\$ 1,963,432
Santa Fe Ave.	Ranchero to Summit Valley Road	\$ 6,944,340	90.00%	\$ 6,249,906
Main Street	Hwy 395 to Bellflower St.	\$ 3,125,500	90.00%	\$ 2,812,950
Caliente Road	Joshua to Oak Hill Road	\$ 25,067,920	90.00%	\$ 22,561,128
Ranchero Road	Caliente to West City Limits	\$ 4,184,700	90.00%	\$ 3,766,230
Mariposa Road	Bear Valley to Live Oak St.	\$ 21,534,410	90.00%	\$ 19,380,969
Mariposa Road	Sultana to City Limit near Forestry Rd	\$ 37,468,540	90.00%	\$ 33,721,686
Lemon Street	"I" Ave. to East City Limit	\$ 13,867,360	90.00%	\$ 12,480,624
Maple Avenue	Ranchero to City Limit near Summit Valley Rd.	\$ 9,738,040	90.00%	\$ 8,764,236
Summit Valley Road	Santa Fe to Tapestry Boundary	\$ 14,207,960	100.00%	\$ 14,207,960
Arrowhead Lake Road	Summit Valley to Southern City Limit	\$ 6,933,680	90.00%	\$ 6,240,312
<b>Subtotal</b>		<b>\$ 298,338,093</b>		<b>\$ 227,695,435</b>
<b>Arterials</b>				
Hesperia Road	Bear Valley to Sultana	\$ 12,967,500	48.44%	\$ 6,281,440
"I" Avenue	Bear Valley to Rancho (Includes RR X-ing)	\$ 21,145,500	90.00%	\$ 19,030,950
7th Avenue	Bear Valley to Rancho	\$ 20,182,750	90.00%	\$ 18,164,475
Ranchero Road	Danbury to "I" Ave.	\$ 4,440,000	90.00%	\$ 3,996,000
Rock Springs Road	Glendale to East City Limits	\$ 1,333,400	48.44%	\$ 645,897
Sultana Street	Mariposa to Escondido	\$ 9,667,220	90.00%	\$ 8,700,498
Arrowhead Lake Road	Rock Springs to South of Hesperia Lakes	\$ 7,015,750	48.44%	\$ 3,398,420
"C" Avenue	RR Xing to Sultana	\$ 5,818,750	90.00%	\$ 5,236,875
Cottonwood Avenue	Bear Valley to Main	\$ 10,008,250	48.44%	\$ 4,847,983
"E" Avenue	"I" Ave. to Lime (Includes RR X-ing)	\$ 11,471,250	48.44%	\$ 5,556,659
11th Avenue	Bear Valley to Main	\$ 10,640,000	48.44%	\$ 5,155,002
Lassen Road	Sultana to Poplar	\$ 2,075,320	48.44%	\$ 1,005,282
Maple Avenue	Mariposa to Rancho (Includes Aqueduct Crossing)	\$ 34,551,500	90.00%	\$ 31,096,350
Lime Street	Cottonwood to "I" Ave.	\$ 25,890,000	58.90%	\$ 15,249,210
Muscatel Street	Mariposa to Cottonwood (Includes Aqueduct Crossing)	\$ 25,120,000	58.90%	\$ 14,795,680
Cottonwood Avenue	Muscatel to Lime	\$ 950,000	58.90%	\$ 555,550
Main Street	"I" Ave. to Rock Springs	\$ 2,842,875	58.90%	\$ 1,674,453
Santa Fe Avenue	Spruce to Rancho	\$ 9,808,750	90.00%	\$ 8,827,875
Eucalyptus Avenue	11th to Peach Ave.	\$ 11,970,000	58.90%	\$ 7,050,330
Sultana Street	Mesa Linda to Lassen Rd.	\$ 864,500	90.00%	\$ 778,050
Mesa Linda Street	Main to Sultana St.	\$ 1,729,000	90.00%	\$ 1,556,100
Smoke Tree Road	Hwy 395 to Merito Rd.	\$ 798,000	90.00%	\$ 718,200
Amaroosa Road	Keypointe to Avenal St.	\$ 12,441,000	90.00%	\$ 11,196,900
Escondido Avenue	Palm to North of Sultana St.	\$ 1,330,000	48.44%	\$ 644,250
Third Avenue	Bear Valley to Main St.	\$ 11,238,500	90.00%	\$ 10,114,650
Sultana Street	7th Ave. to Hesperia Rd.	\$ 648,375	90.00%	\$ 583,538
Sultana Street	Santa Fe. To I Ave.	\$ 3,591,000	90.00%	\$ 3,231,900
Jacaranda Avenue	Bear Valley to Carob St.	\$ 798,000	90.00%	\$ 718,200
Rock Springs Road	Main to Glendale Ave.	\$ 1,197,000	48.44%	\$ 579,825
Summit Valley Road	Santa Fe westerly to City Limit	\$ 6,916,000	100.00%	\$ 6,916,000
Summit Valley Road	Tapestry Boundary to East City Limit	\$ 6,650,000	100.00%	\$ 6,650,000
<b>Subtotal</b>		<b>\$ 272,100,190</b>		<b>\$ 201,359,544</b>
<b>Secondary Arterials</b>				
Danbury	Ranchero to Arrowhead Lake Rd.	\$ 11,172,000	48.44%	\$ 5,411,703
Ranchero Road	"I" Ave to Arrowhead Lake Rd.	\$ 5,552,750	48.44%	\$ 2,689,745
Joshua Street	Mariposa to Caliente Rd.	\$ 1,471,313	48.44%	\$ 712,702
Keypointe Avenue	Main to Amarosa	\$ 7,244,510	90.00%	\$ 6,520,059
Live Oak/Willow Street	Mariposa to Hesperia Rd.	\$ 1,695,750	48.44%	\$ 821,419
Fuente Avenue	Main to Live Oak St.	\$ 4,239,375	90.00%	\$ 3,815,438
Sultana Street	Maple to 7th Ave.	\$ 6,384,000	90.00%	\$ 5,745,600
Mesquite Street	Topaz to Hesperia Rd.	\$ 15,436,313	90.00%	\$ 13,892,681
Peach Avenue	Bear Valley to Rancho Rd.	\$ 1,762,250	90.00%	\$ 1,586,025
Farmington Street	Topaz to Maple Ave.		90.00%	\$
<b>Subtotal</b>		<b>\$ 54,958,260</b>		<b>\$ 41,195,371</b>
<b>Intersection Expansion</b>				
"C" Avenue	Intersection at Main	\$ 6,153,220	90.00%	\$ 5,537,898
<b>Subtotal</b>		<b>\$ 6,153,220</b>		<b>\$ 5,537,898</b>
<b>Transit Facility</b>				
		\$ 1,200,000	90.00%	\$ 1,080,000
<b>Totals</b>		<b>\$ 949,862,415</b>		<b>\$ 670,735,278</b>

Notes:

- 1.) Allocations from SBCTA or Impact Fee Study.
- 2.) R/R grade separation is completed. \$750,000 to be repaid to other funding sources to complete new development's funding responsibility.

**City of Hesperia  
Transportation Facilities  
Fee Calculation**

**TABLE 1**

**Existing Average Daily Trips**

Land Use	Trip Rate (ATDs)	Res. Units / 1,000 S.F. / Rooms	units	ADT
Single Family	9.57	25,747	Res. Units	246,399
Multi Family	6.63	3,320	Res. Units	22,012
Commercial/Office	13.27	5,791	1,000 square feet	76,841
Industrial	6.97	1,854	1,000 square feet	12,921
Hotel/Motel	8.92	393	Rooms	3,506
Total Existing ADTs				361,678
				% of total ADTs = 51.56%

**Transportation Fee Schedule**

Land Use	Fee	Administrative Add-on 0.02%	Total Transportation Fee
Single Family	\$ 18,891	\$ 378	\$ 19,269
Multi Family	\$ 13,087	\$ 262	\$ 13,349
Commercial/Office	\$ 26,195	\$ 524	\$ 26,718
Industrial	\$ 13,759	\$ 275	\$ 14,034
Hotel/Motel	\$ 17,608	\$ 352	\$ 17,960

**TABLE 2**

**Future Average Daily Trips (Includes Tapestry Specific Plan)**

Land Use	Trip Rate (ATDs)	Res. Units / 1,000 S.F. / Rooms	units	ADT
Single Family	9.57	24,312	Res. Units	232,666
Multi Family	6.63	3,917	Res. Units	25,970
Commercial/Office	13.27	5,219	1,000 square feet	69,255
Industrial	6.97	1,436	1,000 square feet	10,009
Hotel/Motel	8.92	212	Rooms	1,891
Total Future ADTs				339,791
				% of total ADTs = 48.44%
				Total ADTs = 701,469

**TABLE 3**

**Cost per ADT**

Total Transportation Costs Allocated to New Development	Total Future ADT's	Cost per future ADT
\$670,735,278	339,791	\$1,974

**TABLE 4**

**Transportation Fee Schedule**

Land Use	Trip Rate (ATDs)	Cost per ADT	Units	DIF Fee per unit / 1,000 SF/ Room	Cost Financed by DIF
Single Family	9.57	\$1,974	Res. Units	<b>\$18,891</b>	\$459,274,295
Multi Family	6.63	\$1,974	Res. Units	<b>\$13,087</b>	\$51,263,306
Commercial/Office	13.27	\$1,974	1,000 square feet	<b>\$26,195</b>	\$136,706,578
Industrial	6.97	\$1,974	1,000 square feet	<b>\$13,759</b>	\$19,758,251
Hotel/Motel	8.92	\$1,974	Rooms	<b>\$17,608</b>	\$3,732,847
				Total=	\$670,735,278

## **RESOLUTION NO. 2018-26**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA RESCINDING RESOLUTION NO. 2006-115 AND REVISING THE DEVELOPMENT IMPACT FEE SCHEDULE**

**WHEREAS**, the City formed an Ad Hoc Committee to study the capital project needs list and propose updated Development Impact Fees; and

**WHEREAS**, on December 5, 2017 the City Council in a regularly scheduled meeting directed staff in the creation of a capital projects needs list related to future growth in the City; and

**WHEREAS**, on April 17, 2018 the City Council voted 5-0 to bring forth the proposed Development Impact Fees found in Attachment 1; and

**WHEREAS**, Government Code Section 66000, enacted by the State of California in 1987, enables cities to establish development impact fees for the purpose of mitigating the cost of additional municipal facilities as a result of new development; and

**WHEREAS**, this action is categorically exempt under CEQA Guidelines Section 15273(a) as adjustments to rate, tolls, fares and charges will not have an adverse impact on the environment; and

**WHEREAS**, the City Council is being responsible, prudent and conservative in its business approach to the operation of the City by establishing Development Impact Fees and reviewing said fees when

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS

- Section 1. In all respects, the facts as set forth in this resolution are true and correct.
- Section 2. The following resolution is hereby rescinded: Resolution No.2006-115,
- Section 3. The schedule of fees and charges set forth in Exhibit "1" are hereby adopted and shall be applied to the specified services. The effective date of this resolution shall be July 16, 2018.
- Section 4. A public hearing was held on May 15, 2018 allowing for public testimony, oral and written staff reports and Council action.
- Section 5. The effective date of the fee revision shall not take effect any sooner than 60 days following the adoption of this Resolution pursuant to Government Code Section 66017(a). The effective date of the Development Impact Fee revision is July 16, 2018.
- Section 6. Any development project that has submitted for a valid building permit prior to this effective date shall be subject to the previously established fees. Any project submitted on or after July 16, 2018 will be subject to the new fees.

Section 7. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**ADOPTED AND APPROVED** this 15th day of May, 2018.

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Russ Blewett, Mayor

ATTEST:

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Melinda Sayre  
City Clerk



**DATE:** May 15, 2018

**TO:** Mayor and City Council Members  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Casey Brooksher, Director of Finance

**SUBJECT:** FY 2018-19 Budget Workshop #3 – Budget Update

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## **RECOMMENDED ACTION**

It is recommended that the City Council and the Board of Directors of the Hesperia Water District receive and file this report and presentation, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2018-19.

## **BACKGROUND**

In compliance with the City Council's policy direction, staff annually develops an expenditure budget. While the budget gives the City the legal authority to secure goods and services, it is also a communication tool that provides information to the citizens about the City's programs and projects. To ensure that the budget is developed to meet the City Council's direction, a series of budget workshops have been developed. The first workshop focused on CalPERS and its impact on the four active Hesperia plans, while the second workshop highlighted the proposed operating budget. This third workshop will give an update to the operating budget, along with a snapshot of the total budget that includes capital improvement program (CIP) expenditures.

## **ISSUES/ANALYSIS**

For the FY 2018-19 Budget Workshop #3, a brief overview of the total budget will be presented. In addition, there will be a discussion on potential revenue challenges that may impact the City in the future (FY 2019-20 and beyond).

## **FISCAL IMPACT**

There are no financial impacts at this time, as this is a workshop to discuss the proposed FY 2018-19 operating budget.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

None