

TIM FEE Working Group Meeting Record
May 29, 2008, 6:30-8:30pm
Building "C", Planning Commission Hearing Room

I. NEXT MEETING: NOTE THIS IS A CHANGE IN LOCATION

A. Thursday, June 19th at 6:30pm, Cameron Park Library, 2500 Country Club Drive, Cameron Park

II. Homework / Next Steps:

- A. ALL: Review this meeting record and let Val Akana know of any changes
- B. Mail/email the handouts "Highway 50 Corridor Mobility Partnership" and "50 Corridor Mobility Fee Program" from Martha Clark Lofgren and Gene Endicott to all TIM Fee Working Group Members (DOT)
- C. Jim, Craig need to talk to Richard about how to get back to the Board (public hearing or no?) on TIM Fee inflation update (including the choice of index - ENR) and the Regional Fee program

III. Presentation on Regional Fee Program Proposal (Martha Clark Lofgren and Gene Endicott) – See 2 handouts

- A. Martha Clark Lofgren: Employed at the City of Folsom for 12 years, 1994 – 2000 City Attorney, then until 2006 City Manager, now in private sector with Brewer Lofgren LLP
 - 1. Email: mlofgren@brewerlofgren.com
 - 2. Phone: 916 983 2077, fax 916 817 2242
 - 3. Address: 3727 Sutter Hill Lane, Carmichael, CA 95608
 - 4. Role in this project: keep public agency directors moving on a common path and helping facilitate communications between landowners and directors to come to agreement on impact fee
- B. Gene Endicott: Public affairs consulting for clients on community, government, media relations. Has been on this project for a couple of years.
 - 1. Email: gene@endicottcommunications.com
 - 2. Phone: 916 719 7214, fax 916 774 6506
 - 3. Address: 1015 Tanzania Dr, Roseville, CA 95661
 - 4. Prior to this project, was in corporate public affairs with HP in Bay Area and Roseville
 - 5. Then went to Agilent Technologies for 5 yrs doing public affairs work on a corporate wide level
 - 6. Started at Bechtel
 - 7. Focus as consultant: land use, transportation, air quality
- C. The upshot of the proposal is for EDC to contribute a net of \$11M into the Regional Fee Program. The total program is estimated to cost \$424M with \$169M being contributed through regional fee collections in Sac County, Rancho Cordova, Folsom and El Dorado County. Other sources of revenue are planned to come from Frontage Improvements (developers), local development fee programs and other state/regional sources. The program will address congestion along the Hwy 50 corridor from El Do Hills to Rancho Cordova. 4 large private landowners (GenCorp, Elliott Homes, AKT Development, Carpenter Ranch), as well as Caltrans, SACOG and Sacramento Regional Transit are involved.

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IV. Discussion

A. NOTE: THIS IS A RECORD OF WHAT WAS DISCUSSED. THE USE OF "WE" DOES NOT IMPLY CONCENSUS BUT, RATHER, IS JUST A STATEMENT BY THE SPEAKER. ALSO, THE COMMENTS REFLECT WHAT THE SPEAKER SAID AND MAY NOT REFLECT OTHERS' THOUGHTS OR OPINIONS. IN SOME INSTANCES, THE COMMENTS ATTRIBUTABLE TO SPECIFIC SPEAKERS WERE SUMMARIZED OR PARAPHRASED AND THEREFORE, ARE NOT DIRECT QUOTES.

B. Regional Fee Program:

1. CM: Note that even though EDC's share of the regional fee is \$37M, the TIM FEE program already includes improvements on White Rock Road (WRR) of \$26M so the net that EDC needs to raise = \$11M not \$37M
 - a. Table 2 of the 2nd handout shows a reduction in EDC's share of the regional fee due to the duplication already built into the TIM FEE program
 - b. Table 2 has cost per DUE (Dwelling Unit Equivalent) for the El Do Hills area south of Hwy 50. DOT's preference would be to spread the \$11M over the whole TIM fee program; it spreads the total out over a lot more development that way.
 - c. In our TIM fee program, we have in the "Other Agencies Funds" still some money remaining (i.e., we haven't used it for affordable housing and other things); there's enough in there to cover the \$11M; Richard's suggestion is that we include the \$11M in the TIM Fee program but use the "other agency funds" that are still available for other uses so that there is no net increase in the TIM fees to cover the cost of the regional fee program.
2. AM: It's not comforting to apply the other revenue to this versus some other program. It means we won't have the money for other things like affordable housing.
3. KB: What do we get for the money?
 - a. CM: See the list of roads on handouts
4. KB: What about the monies we put into the HOV lanes on 50? Why don't we get credit for those improvements?
 - a. ML: Sac County and Folsom would respond by saying they didn't get credit for example, for Measure A monies they are already contributing to Hwy 50 improvements (Sac County) and building the bridge (Folsom).
5. AM: If you just look at Measure A funds that are being paid by EDC residents because they are shopping in Sac County, it more than covers the money to pay for the regional program. Our sales tax dollars have been sucked into Folsom and Sac. County and that

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should be added into what EDC gets credit for. ¾% of the sales tax on goods bought by EDC residents shopping in Sac Co. is going into Measure A.

- a. ML: These are the policy issues that the elected officials have to weigh in determining whether to participate in the program.
6. BC: Elk Grove Connector? How does that play in? Different routing?
 - a. ML: There's no overlap in charging; it's not that there's a pot of money for the connector project and now we're collecting money on top of that for the same routes. John Long has factored the connector into his modeling. Measure A money is already earmarked for the connector road. In the long-term proposal, WRR is supposed to be 6 lanes but projected here as 4 lanes.
 - b. GE: It's generally pretty well assumed that WRR will be the alignment from Grant Line east; this regional fee program is complementary to that overall Elk Grove connector project.
7. BC: There's one major south of the freeway linkage missing – parallel capacity to Latrobe to the west of Latrobe along EDC/Sac Co county line...Nobody I've talked to can figure out how to get the connector past Latrobe Rd. That's the biggest single chokepoint we've been dealing with in EDC. It's kind of the Aerojet blackhole equivalent east-west that's totally choked. This is another thing that needs to be addressed.
 - a. CM: This is in the long term plan – connector from 50 to Latrobe
 - b. Reference long term map in the 1st handout
8. AM: Question about the WRR math – I get a net of \$17M not \$11M difference.
 - a. ML will check it with the group that calculated the proposal for EDC's share because Art gets a net of \$17M (credit of \$21M for WRR improvements, not \$26M), not \$11M
9. ML: Based on objective traffic data, residents in EDC are using Hwy 50, WRR, Hazel, Folsom Light Rail, etc.; that's how the proposed fees were calculated.
10. CM: All of the projects shown on the earlier map, EDC has some share and impact to those roads. You can argue that they already pay toward Measure A but they do use those roads. Just because you live in EDC in Region 1 doesn't mean you don't have to pay toward 50 and that you don't use it.
11. GE: As the pie chart in the handout reflects, none of the sources of funding we're talking about provide the total solution for any one of the proposed road projects in the program.

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12. AM: It's staggering how much of sales tax dollars are going into other jurisdictions
13. DB: If other jurisdictions were paying for Hwy 50 improvements like EDC does, it would lower the total for other jurisdictions
14. ML: 4 big landowners think their impact fees would be higher and by having a regional fee they will attract other \$ which can offset higher local impact fees they would otherwise have to pay. We have heard that there is resistance in EDC to paying anything outside of its boundaries.
15. AM: It's not been true in the past; EDC stepped up to the plate; we put \$2.8M into the pot to acquire the SP train R/W because the day we closed that escrow they broke ground on Folsom light rail.
 - a. ML: Will pass along the message about EDC residents already paying through sales tax into Sac County
16. JC: We feel the fees in EDC are huge and feel they need to come down, not go up or have \$1600 taken out and then put back in.
17. BA: When you look at the WRR project, to what extent does it open up this County's residents to cost overruns on the balance of the plan?
 - a. ML: This gets back to governance and how is the fee updated so that no jurisdiction feels like they got stuck with cost overruns from another jurisdiction
18. CM: It's a governance issue – how do we EDC control our share? If, for example, the regional fee program wants our \$37M share right now because they want to spend it on the Hazel interchange, it could impact our ability to deliver improvements on WRR. But where ML is coming from is "do you guys want to play or not"?, then they have to take a different tact on their approaches if we don't. The governance issue would be addressed if we decide to play.
19. AM: Is the question the \$37M they are asking for? Or the \$11M/\$17M?
 - a. ML: It is the \$11M/\$17M. EDC gets credit for building Silva Valley Parkway, etc. to offset the total \$37M the partnership is asking for.
20. CM: The concern is more if they ask for the \$37M now to do improvements on Hazel, and then they give us back \$26M later for WRR, how do we make sure that we get the \$26M later when we need it?
21. BC: Is there an awareness on behalf of the forecasters to comprehend that the DUEs include entities that aren't paying the same fees that SFDs are in EDC? e.g., Does the El Dorado Hills Business Park have to come up with ½ the fees?
 - a. AM: John Long met with Russ and Richard and I assume he took into account how we charge different uses for TIM Fees

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- b. CM: The area included in the EDC fee zone includes part of Marble Valley and Carson Creek. One of the things they explored was including all of El Do Hills which raised our share up faster than we could cover it with DUEs. Irrespective of this, they are asking \$11M and that's all we would give them.
- 22. AM: What are we talking about?...accommodating traffic that will actually occur or meeting the traffic driven by the 4 developers' development proposals?
 - a. ML – EDC doesn't have the job centers (yet) so we are trying to come up with a way that doesn't overburden EDC.
- 23. BC: From a point of view of the mapping, it seems what you've come up with is very rationale. It is one of the more balanced receptor areas in the County. From that perspective, if the policy makers say OK, here's \$11M, then how you create the nexus and spread around the fee is something that will be discussed around this table. I have real nervousness about all that's going on in all the colored areas of this map. Art brought up a good point, i.e., extension of light rail that worked really well because we operated as a region so we jumped over both the Airport and Elk Grove (in securing other funds). We should drop \$11M in the \$400M bucket (for similar reasons).
- 24. AM: Our contribution of \$11M or \$50M would not be inappropriate given the infrastructure but haven't we already given you the money under Measure A?
- 25. JW: How did you come up with EDC's credit into the pot for the WRR? I look at Silva Valley interchange, WRR improvements and come up with more than \$26M in improvements...
 - a. CM: Silva Valley interchange is not part of the regional program (so you can't count it). The improvements that the program contemplates on WRR are not the ones we have included in our program. They have lesser improvements in the regional program e.g. 4 lane vs. 6 lane. So they costed out their \$ associated with their planned improvements and that is what we get credit for, not the full amount we are spending because our improvements are above/beyond what their program includes.
- 26. AM: How does this qualify as a congestion management plan under Code section ??? I forget the exact number. There is a provision that regions that meet some size have to do a congestion management plan. Is Sac County subject to this now?
 - a. ML will investigate as no one has brought up this question in the past.
- 27. JC: When will workshops happen?

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- a. ML: Initial thought was end of June/ Early July but that is flexible
- b. CM: Thought is for this presentation to be given to the Board in workshop format but given lead time to get to the Board, it may be later...

C. TIM Fee Update for Board of Supervisors

1. CM: Background-I went back and looked at where the department had included the 12% Caltrans index and backed that out to use the 2.84% ENR index instead and that dropped the proposed increase in the fees a little bit. When the small group met to talk about unit costs on specific projects, etc., they looked at SV interchange, CP interchange and WRR improvements. For those projects, I found that our folks had used a 12% increase. Richard directed all projects have the 12% backed out where they had included it and I took the revised numbers and recalculated the fees. They went from \$959.5M to \$959.7M (net increase of \$200,000 = .02%). This all washes out in the rounding so the new number is exactly the same as last year's.
 - a. New issue raised by this – the question of what is the approach that we use to go back to the Board if we aren't going to change the fees. No need to have public hearing, etc. We have to talk to Richard who is out this week about what he wants to do.
 - b. We also have have to raise the regional fee concept and how will we deal with that.
 - c. We need to get County Counsel in this loop too.
 - d. Board goes dark for 2 weeks in July. The soonest we can get to the Board will be mid to late July.
2. BC: Certainly the pressure is reduced to rush to the Board if the fees don't change
3. CM: There is no longer the need to keep track of higher fees that we aren't going to raise this year but then have to use the higher baseline next year as a starting point.
4. AM: Due to requirement of having to go back to the Board, you may have to have a public hearing anyway.
5. CM: We also don't have formal direction to use ENR as the index
6. KB: I think it's a good idea to get back to the Board on an annual update so we start getting used to that. I don't know that I would take the \$959.5M vs the \$959.7M back to the Board.
7. CM: I suggested to Richard that we send an informational item to the Board that the fees are not changing and that the group has recommended using ENR; ask the Board to agree to ENR. Then in a separate agenda item, take forward the regional fee.

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8. DB: The \$959M doesn't include any adjustments in cost estimating (e.g., R/W, soft costs). I want to voice this concern to the Board.
9. AM: Resolution referred to annual hearing using Caltrans index. I think you have to have a hearing anyway since you want to use ENR.
10. CM: Not sure but we will run it through County Counsel. Richard will have to make the decision as to how he wants to take it to the Board.
11. BC: We were at a very different place about 18 mos. ago. We're starting to see other places where we are going to have to make adjustments. We're making refinements as we go forward. I support you bringing up those issues e.g., frontage agreements, r/w, etc. There will be head nodding (by the Board) to more closely look at these issues. Doing a formal hearing is silly to state that the fees aren't going to change. However, to discuss the policy questions still on the table and what we will address next is worthy of a public hearing.
12. AM: I think it's important to have the Board say it's important to keep on working on these issues.
13. DB: I think we have made a lot of progress but if you told me that we were going to spend all this time 6 mos. ago and that we were going to end up with the same number, I would be disappointed because I don't think the numbers are good.
14. JW: We have taken this opportunity to go back and ask questions and polish up our process and I think that's good, a benefit to this process. Are these all the right roads? Is this the right road system? Are we designing something we don't need? To knock 30% off the TIM Fee program, you take off the top 10 projects. If we don't need an interchange, that's a different program.
15. BC: There will be some blowback from the General Plan amendments being written due to Measure Y. I think that what's going to end up happening is that those discussions are going to come together in the fall and there will be an impetus to really start looking at the 5 year update because that's the forum where you really look at the roads and where the growth is happening –the big issues including right of way.
16. CM: The timing is interesting as our schedule for updating the CIP (5 yr or 10 yr) is Novemberish. We would start looking at our R/W or whatever is still valid or not. We would include the GP amendments, etc. Frontage improvements in this County have not been the traditional model and that is because we've never had a frontage improvement ordinance but if we had an ordinance in place, then for those CIP projects we would assume the frontage is paid for by the developer whose frontage their projects are on. Some of these are big picture policy questions.

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17. AM: Whether you are making the developer pay for it out of the TIM fees or out of his pocket, he's still paying for it. I'm not interested in talking about those details. I'm interested in looking at those roads that we have put in the CIP significant sidewalk or median improvements that we can just drop out because we don't need them. Also, if we look at longer time frame for growth, what state/federal \$ will come in? Also, what projects are in the 10 year CIP, based on growth projections and this is going to become a self fulfilling prophecy i.e., if you project no growth for an area and therefore no improvements, there can be no growth. When we get to 24 months from now the ENR and Caltrans decision is not going to be as relevant as other decisions that need to be made.
18. CM: It has always been our plan to do an update every 5 years. Nothing has said that that can't happen earlier as long as we have the staff to make it happen. I think the major overhaul will be driven sooner rather than later. We need to revisit the growth forecasts and if the Board were to start enforcing the Fire Districts' 20' wide roads for example, that would shut down development in some of the rural areas and that might mean some road projects can go away. Some developers have long range plans that might be able to include mixed use kinds of projects which could result in a smaller, leaner road system which translates to lower fees.
19. JW: Following the smart growth blueprint model can be used to attract \$, more of that could reduce the need for road improvements.
20. KB: The truth of the matter is that on Hwy 50, the only local government that has made any meaningful increase in capacity on Hwy 50 is EDC. We have done more and will do more than anybody in the region and one of our big problems is hitting the wall going westbound on 50 in the morning. However, regional cooperation is better than not cooperating.
21. BC: If we didn't have American River paralleling 50 on the north and the inability to bridge that thing on a regular basis...it has made 50 pretty constrained. There are no constraints on the South. I'd like to see more BRT, 15 minute headways sooner on light rail.
22. JC: I thought we were going to take 3 different calculations forward to the Board, including ENR, 12 month Caltrans, and 15 month Caltrans?
 - a. CM: My understanding was that we were just using ENR because this group decided to use it.

D. Report Back from the Small Group Meeting on R/W and Project Delivery Costs

1. We did not get to this topic at this meeting.

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V. Topics for Discussion at Next Meetings

- A. Additional sources of funding
 - 1. The Casino – What funds will be available, what additional projects need to be included and how will this impact the fee rates? (first check anticipated Fall 09)
 - 2. Federal and State “matching dollar” opportunities – using TIM fee money to leverage other sources
 - 3. Are we getting any kind of priority for \$ from state and federal because of our TIM fee program? What have we gotten to match the \$ we have contributed to TIM fees?
 - 4. Inclusion of Safety and Intelligent Transportation System (ITS) “local match share” items into project list along with other potential grant funding opportunities
- B. Impacts from the slow-down in residential development (e.g, growth in the County affects the road plan)
- C. Format/Style to be used for annual Government Code compliance Report.
- D. Can we discuss the “uniqueness” that affects the El Dorado County TIM FEE Program? Do we spend more or less for example because of the # of Highway 50 improvements than other counties do? Do others have other funding sources that we don't have?
- E. The Variable Highway 50 Fee Program had three different levels of TIM fees for single family residential houses. Smaller houses paid a lower fee." (e.g., apt vs. granny flat)
- F. If the program becomes a 30 year program instead of a 20 year program, what does this imply for federal and state matching \$? Can we count on more coming in and thus, reduce the fees?
- G. Can we talk about shifting when we pay the fee from when the building permit is pulled to at occupancy.
- H. Look into doing early ROW acquisition while prices for land are low.

VII. Attendees

- A. ✓ Brian Allen (BA)
- B. ✓ Bill Center, Measure Y Committee (BC)
- C. ✓ Don Barnett, Lennar (DB)
- D. ✓ Kirk Bone, Serrano Associates, LLC (KB)
- E. ✓ John Costa, BIA, (JC)
- F. ✓ Art Marinaccio, Taxpayers Association of El Dorado County (AM)
- G. ✓ Craig McKibbin, DOT (CM)
- H. ✓ Jim Ware, DOT (JW)
- I. ✓ Jim Schoeffling, DOT (JS)
- J. ✓ Val Akana, DOT (VA)
- K. ✓ Martha Clark Lofgren (ML)
- L. ✓ Gene T. Endicott (GE)