



DEPARTMENT OF TRANSPORTATION TRANSPORTATION PLANNING

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TO: Board of Supervisors

FROM: Zach Oates, Sr. Civil Engineer

Subject: 2024 Annual Update to the Traffic Impact Fee (TIF) Program

PURPOSE AND SUMMARY

On December 8, 2020, the Board of Supervisors (Board) adopted the Major Update to the Traffic Impact Fee (TIF) Program, formerly called the Traffic Impact Mitigation (TIM) Fee Program, as required by the General Plan and in compliance with state law. General Plan Implementation Measure TC-B, Resolution 191-2016, and County Ordinances 5144 and 5173 state that the fee program shall be updated annually for changes in project costs. The Board directed staff to update the Capital Improvement Program (CIP) for consistency with the TIF Program. This process has begun with the first Board CIP workshop on March 5, 2024 (Item 18, Legistar 24-0239).

The purpose of today's hearing is to adopt the 2024 Annual Update to the TIF Program, which adjusts project costs.

BACKGROUND

A TIF is a fee levied by a local government or public agency to ensure that new development projects pay for all or a portion of the costs of providing public infrastructure or services to the new development. Since 1984, the County has adopted and updated various impact fee programs to ensure that new development on the West Slope pays the costs of constructing and improving county and state roads necessary to serve new development. Impact fees are calculated pursuant to Government Code 66000 et. seq. and the County's General Plan policy. Generally, fees are based on the type of land use, quantity, location, and impact on roads and highways.

TIF-funded projects are CIP projects that are needed to accommodate new development projected over the next 20 years, including roadway widenings, interchange improvements, etc. Since these new projects are needed to accommodate new development, there is a nexus, pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), to charge new development a fee to pay for these projects.

The 2020 Major Update to the TIF Program was adopted by Resolution 196-2020. The Resolution states, in part, "said fees shall be adjusted annually by an increase or decrease in the project costs by updating improvement cost estimates using actual construction costs of ongoing and completed projects, the most current cost estimates for those projects that are far enough along in the project development cycle to have

project cost estimates, and for all other projects, the Engineering News-Record Building Cost Index.” Additionally, County Ordinance No. 5173 states, in part, “The TIF amounts shall be adjusted for inflation no later than the end of the 3rd fiscal quarter of each year in accordance with the percentage change published by Engineering News-Record (ENR) Construction Cost Index.” This change to the index used in this process went into effect on March 16, 2023. The fee requirements are reflected in the TIF Program Fee Schedule adopted by resolution and administered via the TIF Program Administrative Manual.

DISCUSSION

Department of Transportation staff has provided updated cost estimates for twenty-eight projects. Table 1 displays the revised project cost estimates.

The increases applied to project costs are a result of inflation and the increase in the cost of construction materials. For projects that aren't far enough along in the project development cycle to have project cost estimates, a 2.5% increase was applied to all dollars in future years to account for the increase in the Construction Cost Index published by Engineering News-Record from January 2023 to January 2024.

The following projects have been added to the TIF Program based upon the proposed 2024 CIP Book and the Board's direction at the CIP Workshop:

- The Forni Road at Pleasant Valley Road / Highway 49 Realignment (CIP 36104031) Project will realign Forni Road where it intersects with Pleasant Valley Road/Highway 49 in the Town of El Dorado. It will remove the skew and provide the separation needed for additional improvements at that intersection as growth continues in the Diamond Springs area. Estimated projects costs are \$6,921,525 and will be funded by TIF – Zone B funds.
- The Hollow Oak Drive at Bass Lake Road Turn Pocket (CIP 36105082) Project will add a right turn lane on northbound Bass Lake Road at Hollow Oak Drive in El Dorado Hills. Estimated projects costs are \$2,230,500 and will be funded by TIF – Zone C funds.
- The Robert J Mathews Drive at Golden Foothill Parkway Roundabout (CIP 36105083) Project will construct a roundabout at Robert J. Mathews Drive and Golden Foothill Parkway in El Dorado Hills. Estimated projects costs are \$3,021,000 and will be funded by TIF – Zone C funds.
- The Harvard Way and Clermont Way Intersection Improvements will install a traffic signal at the intersection of Harvard Way with Clermont Way and the access to Oak Ridge High School. This project is being constructed in coordination with onsite circulation improvements performed concurrently by the El Dorado Union High School District. Estimated project costs are \$2,286,000 and will be funded by TIF – Zone C funds.
- The Green Valley Road at Loch Way Intersection Improvement (CIP 36105056) Project and Harvard Way and Clermont Way Intersection Improvements

(CIP 36105080) are existing projects in the CIP, but have been added to the TIF Program to advance funding on these priority projects. Estimated project costs for the TIF-funded portions of these project are approximately \$499,000 and \$2,286,000, respectively.

The revised TIF for all zones and land use types are shown in Exhibit A of the proposed Resolution (see Attachment C). The TIF Zone boundaries are unchanged and are shown in Exhibit B of the proposed Resolution (see Attachment C). The updated project cost adjustments are shown in Exhibit C of the proposed Resolution (see Attachment C) and the comparison of the current 2023 TIF and the proposed 2024 TIF are shown in Attachment E. Changes to the TIF depend upon the zone and land use type. In Zone A, TIF for Residential uses have not increased, while Non-Residential TIF increased an average of 7.6%. TIF have increased in Zone B by approximately 5.1% and in Zone C by approximately 3.6%.

CIP Number	Project	2023 Cost Estimate	2024 Cost Estimate
72377/36105007	Country Club Dr. Extension – East of El Dorado Hills Blvd. to Silva Valley Pkwy	\$25,261,000	\$25,234,000
71362/36105008	Country Club Dr. Extension – Silva Velly Pkwy. to Tong Rd.	\$13,664,000	\$13,639,000
71361/36105009	Country Club Dr. Extension – Tong Rd. to Bass Lake Rd./Old Bass Lake Rd.	\$21,380,000	\$21,510,000
72334/36105011	Diamond Springs Parkway – Phase 1B	\$12,466,000	\$7,262,000
77127/36105014	Green Valley Rd. at Indian Creek – Bridge Replacement ¹	\$6,005,000	\$6,773,000
77136/36105015	Green Valley Rd. at Mound Springs Creek – Bridge Replacement ¹	\$6,609,000	\$7,496,000
GP178/36105018	Green Valley Rd. Widening – East of Francisco Dr. to East of Silva Valley Pkwy.	\$17,489,000	\$17,927,000
36105022	Headington Road Extension – Missouri Flat Road to El Dorado Road	\$15,011,000	\$16,600,000
36105035	Saratoga Way Extension – Phase 2	\$13,962,000	\$14,898,000
66116/36105024	Latrobe Connection	\$3,040,000	\$3,116,000
GP154/36105069	Latrobe Road – Golden Foothill Pkwy. (N) to White Rock Rd.	\$7,074,000	\$12,751,000

Table 1: Revised Cost Estimates for CIP Projects with TIF Funding			
72142/36105027	Missouri Flat Road – China Garden Rd. to SR 49	\$9,203,000	\$9,433,000
53118/36109004	Transit Service Improvements	\$3,754,000	\$3,682,000
53115/36104021	US 50 Auxiliary Lane Westbound – El Dorado Hills Blvd. Interchange to Sacramento County Line	\$3,727,000	\$3,830,000
71330/36104005	US 50/Bass Lake Interchange Improvements – Phase 1	\$6,020,000	\$6,175,000
71332/36104006	US 50/Cambridge Road Interchange Improvements	\$11,612,000	\$11,902,000
72361/36104007	US 50/Cameron Park Drive Interchange Improvements	\$26,655,000	\$26,295,000
71339/36104009	US 50/Ponderosa Road Interchange Phase 1A – North Shingle Road Realignment	\$10,594,000	\$7,614,000
71338/36104008	US 50/Ponderosa Road Interchange Phase 1B – Durock Road Realignment	\$10,701,000	\$22,783,000
71347/36104011	US 50/El Dorado Road Interchange Improvements – Phase 1	\$6,758,000	\$6,926,000
71345/36104004 & 71368/36104003	US 50/Silva Valley Parkway Interchange – Phases 1 & 2	\$12,058,000	\$12,322,000
72374/36105042	White Rock Road Widening (2 to 4 Lanes) – Post St. to South of Silva Valley Parkway	\$11,414,000	\$16,700,000
36105082	Hollow Oak Drive at Bass Lake Road Turn Pocket	\$0	\$2,231,000
36105083	Robert J Mathews Drive at Golden Foothill Parkway Roundabout	\$0	\$3,021,000
36104031	Forni Road at Pleasant Valley Road/Hwy 49 Realignment	\$0	\$6,922,000
36105056	Green Valley Road at Loch Way Intersection Improvement	\$0	\$499,000
36105080	Harvard Way and Clermont Way Intersection Improvements	\$0	\$2,286,000

Notes:

¹ The TIF Program funds 11.47% of the cost of bridge projects shown in this table. Federal funds are used to cover the remaining project cost.

If adopted, the revised TIF schedule will go into effect 60 days after adoption of the resolution.

This Update includes adjustments to project costs and inflation adjustments based on the Construction Cost Index as published in Engineering News-Record. All other assumptions, methodologies, and technical calculations are identical to the 2020 Major Update to the TIF Program. This Update includes five new projects (three completely new CIP projects and two existing CIP projects receiving TIF funding), which were presented at the CIP Workshop on March 5, 2024, and have been added to the 2024 CIP Book with the Board's approval. However, this update does not include any changes to the magnitude or location of growth, nor any updates to analysis methodologies or the TIF Zone boundaries. The Major Update to the TIF Program is currently in process, with the next step anticipated at the Board's meeting on July 23, 2024.

RECOMMENDATION

Staff recommends adopting the Resolution for the 2024 TIF Schedule Annual Update.

CONTACT

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