



**COMMUNITY DEVELOPMENT AGENCY  
LONG RANGE PLANNING DIVISION**  
2850 Fairlane Court, Placerville, CA 95667  
Phone (530) 621-4650, Fax (530) 642-0508

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September 22, 2016

**TO:** Planning Commission  
**FROM:** Claudia Wade, Senior Civil Engineer  
**Subject:** Informational Workshop on Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Program Update

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The purpose of today's workshop is to provide background on the Major CIP and TIM Fee Update. Eight key topics will be addressed:

- 1) What is a CIP?
- 2) What is a TIM Fee Program?
- 3) Why are CIP and TIM Fee Programs required?
- 4) CIP and TIM Fee Program Relationship
- 5) Background on Major CIP and TIM Fee Update
- 6) Approach to Public Outreach
- 7) Environmental Impact Report (EIR) Status
- 8) Next Steps

## **Background**

### **1. What is a CIP?**

A CIP is a planning document that identifies capital improvement projects (e.g., roads and bridges) a local government or public agency intends to build over a certain time horizon (usually between 5 and 20 years). CIPs typically provide key information for each project, including general scope, delivery schedule, costs and revenue sources. The County's CIP provides a means for the Board of Supervisors (Board) to determine capital improvement project and funding priorities over a 20-Year horizon. In order to maintain the integrity of its roadway network, the General Plan requires the County develop and maintain a 10- and 20-Year CIP.

El Dorado County's CIP includes roadway projects (new and improvements to existing), bridge projects, intersection improvements, bike and pedestrian facilities. All of the CIP information is included in an overall CIP book, which also includes Tahoe's Environmental Improvement Program, transportation related facility projects (i.e., Headington Wash Rack), and projects within the Capital Overlay Rehabilitation Program (CORP). The CORP projects are roadway rehabilitation projects which require an improvement to the roadway structural integrity.

### **2. What is a TIM Fee Program?**

An impact or mitigation fee 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 traffic impact mitigation (TIM) fee programs to ensure that new development on the western slope pays the costs of constructing and improving county and state roads necessary to serve new development. The TIM Fee is paid at the

time of issuance of a building permit (e.g. for single family home or non-residential buildings). TIM Fees are calculated pursuant to Government Code 66000 et. seq. and General Plan policies. Generally, fees are based on the type of land use, quantity, location, and impact on roads and level of service (LOS). See Attachment B for the draft TIM Fee Nexus report which contains the proposed TIM Fee zones, project list, land use categories and fees. A detailed discussion is provided below explaining the TIM Fee Program components.

### **3. Why is the Major CIP and TIM Fee Program Update required?**

The County's process is driven both by state law (e.g. the "Mitigation Fee Act" - Government Code 66000 et. seq.) and the County's General Plan, which includes requirements put in place via local voter initiatives.

In 1998, El Dorado County voters adopted an initiative measure known as Measure Y, the "Control Traffic Congestion Initiative." The initiative added several policies to the General Plan (TC-Xa through TC-Xi and related implementation measures) intended to require new development to fully pay its way to prevent traffic congestion from worsening in the County. The initiative provided that the new policies should remain in effect for ten years and that the voters should be given the opportunity to readopt those policies for an additional ten years. The voters adopted a second initiative measure in 2008 that amended the measure adopted in 1998 and extended the provisions for an additional ten years.

One of the effects of these initiative measures is the requirement to maintain a fully-funded CIP program: General Plan policy TC-Xa requires that TIM Fee revenue, combined with any other available funds (e.g. state and federal grant monies), shall fully pay for building all necessary road capacity improvements to fully offset and mitigate all direct and cumulative traffic impacts from new development upon any highways, arterial roads and their intersections during weekday, peak-hour periods in unincorporated areas of the county.

On June 7, 2016, El Dorado County voters approved Measure E. Measure E rescinded the 2008 amendments to Measure Y and made further amendments to the General Plan's policies regarding traffic impact mitigation by new development. It amended Policy TC-Xa to require that road capacity improvements needed to prevent new development's cumulative traffic impacts from LOS F be completed "before any form of discretionary approval can be given to a project." It also amended Policy TC-Xf, which provided two methods for the County to mitigate traffic impacts: (1) condition the project to construct necessary road improvements or (2) ensure that the necessary road improvements are scheduled for construction within the County's CIP, which is primarily funded by impact fees collected with each building permit. Measure E eliminated the second option.

Measure E requires that mitigation fees and assessments be applied to the geographic zone from which they originated and that they may be applied to existing roads for maintenance and improvement projects. Measure E also added a policy requiring voter approval before creating an Infrastructure Financing District, a requirement already imposed by state law. In addition, Measure E requires that the County make findings of compliance before approving certain development projects. Finally, a number of statements were included in Measure E under the heading "Implementation."

Policies adopted or amended by Measure E will remain in effect indefinitely unless amended or repealed by voter approval.

On August 9, 2016 the Board held a workshop on interpreting and implementing Measure E. On August 30, 2016 an item was taken before the Board to adopt interim interpretive guidelines to implement Measure E. Measure E does not change LOS standards as stated in General Plan policy TC-Xd, the land

use map diagram, or projected growth patterns (with any degree of certainty). Therefore, forecasted impacts to the County's road network have not changed, and the proposed CIP project list remains unchanged. However, funding for the Diamond Springs Parkway project has changed: Missouri Flat Master Circulation and Financing Plan (MC&FP) funding has been replaced with other funding sources.

In order to maintain the integrity of its roadway network and ensure compliance with Measures Y and E, the County is required to develop and maintain a 10- and 20-Year CIP as well as a 20-Year TIM Fee Program pursuant to General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B. The General Plan also requires the CIP and TIM Fee Program be updated every five years to revise the 20-Year growth forecast and comprehensively re-evaluate the programs. This is often referred to as the "Major" update (General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B).

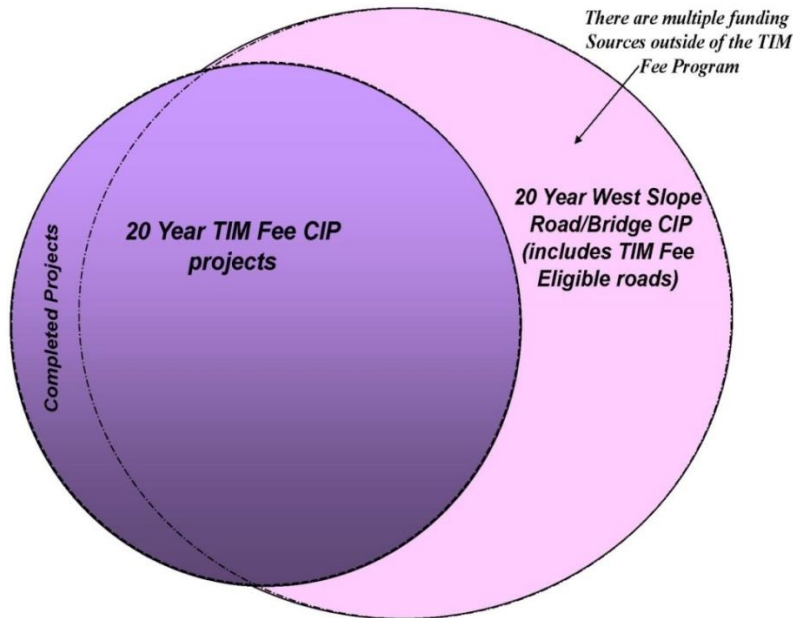
The TIM Fee Program must also comply with the State's "Mitigation Fee Act" (Government Code Section 66000 et. seq.) Per Government Code 66001(d)(1), impact fee programs are required to undergo a comprehensive review periodically to ensure the nexus analysis and fee schedule reflect current assumptions for growth projections, transportation system impacts, project costs, and anticipated funding sources.

#### **4. CIP and TIM Fee Program Relationship**

The CIP is the planning, prioritization, and scheduling mechanism, while the TIM Fee Program is one of the funding mechanisms for getting CIP projects built within the County. The County's CIP includes TIM Fee and non-TIM Fee projects:

- TIM Fee projects are CIP projects that are needed to accommodate new development projected over the next 20 years, which may include road widenings, interchange improvements, etc. Since these new projects are needed to accommodate new development, there is a nexus pursuant to the Mitigation Fee Act to charge new development a fee to pay for these new projects.
- Other (non-TIM Fee) CIP projects are also included in the CIP and funded with a variety of other sources. Since these projects are not needed to accommodate new development, they do not meet the nexus requirements per the Mitigation Fee Act and are not eligible for TIM Fee funding. Figure 1 illustrates the relationship between the CIP and TIM Fee Program.

**Figure 1: CIP and TIM Fee Program Relationship**



Note: When a TIM Fee project with a financial commitment is completed, it is removed from the CIP. However, the project may remain within the TIM Fee Program until the financial commitment has been completed.

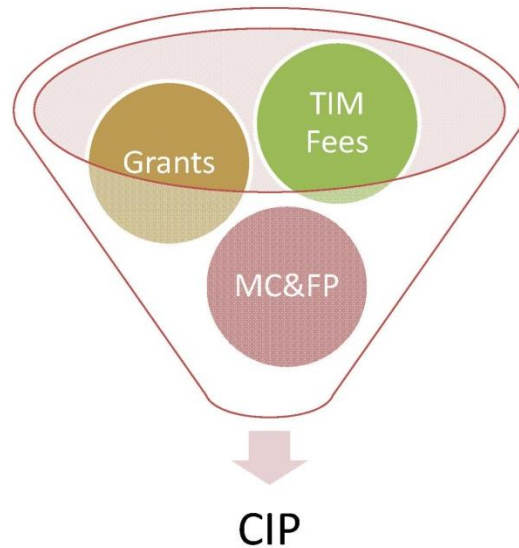
CIP projects (including both TIM Fee and non-TIM Fee) have various funding sources, as shown in Figure 2 below. The CIP includes the following project types:

- *Roadway improvements* required as a result of projected growth, funded by the TIM Fee Program (e.g., Diamond Springs Parkway, Latrobe Road Widening).
- *Safety/Operational improvements* as a result of existing deficiencies funded by state or federal grants (e.g., Cold Springs Road Realignment, Green Valley Road Traffic Signal Interconnect).
- *Bridge projects* funded by state and/or federal grants (e.g., Bucks Bar Road Bridge Replacement). A few bridge projects have used TIM Fee dollars as a match to obtain grant funding as appropriate.
- *Bike and Pedestrian projects* funded by state and/or federal grants (e.g., Northside Bike Trail).

Additional CIP projects, such as the Pleasant Valley Road at Oak Hill Road Intersection Improvements Project, are funded primarily by grants, but also have some TIM Fee funding. The County often uses a small amount of TIM Fee funding to match federal or state grant funds, thus enabling the County to leverage TIM Fee dollars to obtain additional grant funding as appropriate.

**Figure 2: CIP Funding Sources**

## Various Funding Sources



The County's CIP and TIM Fee Program have funded over \$320 million in transportation improvements since 2004, including approximately \$247 million in TIM Fee funding.

### **5. Background on Major CIP and TIM Fee Update**

On February 10, 2015, the Board established project goals and baseline assumptions, as shown below, to be carried out throughout the project. See Attachment C for a detailed summary of the Major CIP and TIM Fee Update Board decisions and direction provided to staff as well as the Board-approved Goals and Project Assumptions.

Establishing the Board's overall project goals and expectations was an essential first step that set up the foundation for the Major Updates. This foundation focused staff and consultant efforts and resources for an effective process. Based on General Plan requirements and previous Board direction, the Board-endorsed goals are as follows:

- 1) Develop a legally-defensible CIP that is consistent with the General Plan and supports its implementation.
- 2) Develop a legally-defensible TIM Fee Program that supports CIP implementation and is consistent with the Mitigation Fee Act (AB 1600).
- 3) Reduce the TIM Fees to the extent possible while still achieving the goals above.
- 4) Adopt new CIP and TIM Fee Program by first quarter 2016.

Baseline assumptions approved by the Board are as follows:

- 1) Use adopted General Plan Land Use and Zoning Ordinance.
- 2) Use a 1.03% annual growth rate, with 75% of growth occurring within Community Regions and 25% occurring outside of Community Regions, per Board direction on April 8, 2014.
- 3) Adhere to existing General Plan policies.
- 4) Adhere to existing Community Region and Rural Center boundaries (except for Camino-Pollock Pines which is assumed to be outside of the Community Region).

- 5) Assume future funding streams and sources to be similar to existing (i.e., no assumption of a completely new funding stream like a future sales tax).
- 6) Prepare a Negative Declaration if analysis is required pursuant to the California Environment Quality Act (CEQA) (which may be necessary if new projects are to be added to the CIP that were not analyzed as part of the 2004 General Plan EIR or the TIM Fee Program Supplemental EIR completed in 2006).\*

\*Upon completion of the Draft CIP and TIM Fee project list, it was determined that an EIR pursuant to CEQA would be required. On December 7, 2015, the Board authorized an amendment to Agreement #214-S1511 with Kittelson and Associates, Inc. (KAI) to allow KAI's sub-consultant, Rincon Consultants, Inc. to complete the Programmatic EIR.

A summary of each program is provided below.

### **5A. CIP Update**

The CIP is a planning document that identifies all capital improvement projects (e.g., roads and bridges) a local government or public agency intends to build, replace or improve over a certain time horizon. CIPs typically provide key information for each project, including delivery schedule, cost and various revenue sources. The County's CIP provides a means for the Board to determine the CDA's capital improvement projects and funding priorities over a 20-Year horizon.

The County's 2015 CIP was adopted on June 16, 2015. The CIP includes TIM Fee funded projects as well as improvements without any TIM Fee funding. On June 7, 2016, an interim 2016 CIP Book was approved by the Board. The purpose of the Interim 2016 CIP is to provide a work plan and approved budget for the Transportation Division from the beginning of fiscal year 2016/17 through the adoption of the Major Five-Year update to the CIP and TIM Fee Program. The Proposed 2016 CIP Book will supersede the 2016 Interim CIP Book.

At this time the proposed 2016 CIP includes the TIM Fee funded projects list (Attachment D) and non-TIM Fee funded projects (Attachment E). The estimated cost, schedule and revenue sources for each project have been identified. The schedule for the projects was detailed during the September 13, 2016 Board Workshop session.

The majority of the non-TIM Fee funded projects are bridge projects. El Dorado County has been very successful in obtaining Highway Bridge Project (HBP) funding for these projects. The latest Sacramento Area Council of Governments (SACOG) Metropolitan Transportation Improvement Program identifies over \$132,000,000 for the El Dorado County HBP program over the next 20 years.

Based on the availability of funding sources and projects needing funding, the Board could add projects to the 2035 CIP list. These projects should be selected from the "Unfunded" CIP project list (Attachment F). CDA's Administration, Transportation and Long Range Planning Divisions have discussed the prioritization of the non-TIM Fee funded projects in conjunction with the potential non-TIM Fee funding sources.

The "Unfunded" list was compiled using various sources, including:

- Projects in the current CIP or TIM Fee programs that are not proposed for funding under the updated TIM Fee Program
- Projects suggested by the public through the El Dorado County Western Slope Update project website ([www.edcwesternslopeupdate.com](http://www.edcwesternslopeupdate.com))

- Projects included in the *El Dorado County Bicycle/Pedestrian Plan 2010*
- Projects suggested by the *Green Valley Road Final Corridor Analysis Report, 2014*, *Diamond Springs-El Dorado Area Mobility and Livable Community Plan, 2014* and *Cameron Park Community Transportation Plan, 2015*

Every suggestion that was received through the public outreach process is included in the 175+ item “Unfunded” list for consideration by the Board. For each suggested project, staff included a brief explanation as to why it is or is not recommended for funding at this time.

Given the long list, staff prioritized projects based on several factors. The highest priority was given to projects that are in the 2015 CIP book, but are no longer eligible for TIM Fee funding. High consideration was also given for projects that are regional in nature and planned in conjunction with another public entity, such as the Capital Southeast Connector Joint Powers Authority or Caltrans, and potential safety projects. Other priorities include projects that are good candidates for grants (i.e., projects that address traffic operations, air quality, safe routes to school, non-motorized circulation, and pavement rehabilitation), are identified as a recommended improvement in a planning study and addresses an existing or future problem (safety/operational/connectivity issue), are buildable, and can be included as part of a currently programmed improvement with an identified funding source. Projects on the “Unfunded” CIP list may be added to the CIP as funding becomes available.

The top ranked non-TIM Fee projects are:

1. #71319: U.S. 50/Camino Area Local Road Improvements – EDC Share
2. #GP137: White Rock Road Widening (2 to 4 lanes) – Manchester Drive to Sacramento County line
3. #72332: El Dorado Hills Boulevard/Francisco Drive Intersection Alignment
4. #71340: U.S. 50/El Dorado Hills Boulevard Interchange – Pedestrian Overcrossing
5. #GP182: Silva Valley Parkway/Golden Eagle Lane Intersection Signalization
6. #73307: Mother Lode Drive/Pleasant Valley Road Intersection Improvements
7. #GP173: Pleasant Valley Road Widening – Pearl Place to Big Cut Road in Diamond Springs

Projects 1 and 2 of the above list were added to the CIP by the Board on December 7, 2015.

## **5B. TIM Fee Update**

A discussion is provided below on the components required to establish a TIM Fee Program which includes a growth forecast, a project list, TIM Fee geography zones, and land use categories.

### Growth Forecast

A growth forecast is an assumption about how and where the County will grow in the future. Identifying an appropriate growth forecast entails reviewing both past and projected future trends, as well as considering the County’s goals and policies for how and where growth should occur. The growth forecast is a key factor in the Major CIP and TIM Fee Updates. Although the market will ultimately determine when and where homes are built, the County’s policies and regulations (e.g., zoning codes/ordinances and the General Plan) along with the County’s decisions regarding where to invest in and build public infrastructure (e.g., the CIP and TIM Fee Program) will have a significant influence on the market.

The update of the 20-Year growth forecast is required by the County’s 2004 General Plan. In order to maintain the integrity of the County’s roadway network, the County is required to implement General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B. These policies also require the 20-Year growth forecast be updated every five years.

Forecasting growth is an iterative and ongoing process – forecasts are reviewed and adjusted annually (as part of the annual CIP and TIM Fee updates) as well as every five years as part of a major CIP and TIM Fee Program update. Routinely verifying and updating growth forecasts allows the County to account for new information and adjust its assumptions and plans accordingly. See Attachment G for the cycle the County uses in updating the CIP and TIM Fee Programs on an annual and five-year basis.

The currently adopted CIP and TIM Fee Program is based on the 20-year growth forecast completed in 2002 by Economic & Planning Systems, Inc. (EPS) for development of the 2004 General Plan<sup>1</sup>. The current CIP and TIM Fee Programs are based on the EPS report and a traffic analysis completed by Dowling and Associates, Inc. in 2005.

In 2013, BAE Urban Economics (BAE) completed a new growth forecast through 2035, including a review of consistency with the 2004 General Plan, and a projection of the future growth rate (Attachment H). The growth forecast identified by the BAE report is based on El Dorado County's historical growth rate and distribution. The BAE report indicates that the County's residential growth projection is based on a continuation of the County's historic West Slope residential growth trend over the 2010 to 2035 time period, yielding an average annual growth rate of 1.03%. This rate is based on building permit data compiled by the County. BAE's growth forecast did not include the Regional Housing Needs Allocation (RHNA).

On April 8, 2014, the Board directed staff to assume a 1.03% growth rate, with 75% of growth occurring within Community Regions and 25% occurring outside of Community Regions, as a starting point for initiating the Major CIP and TIM Fee Update. The 75/25 split is consistent with the assumptions, goals and objectives of the 2004 General Plan that seek to "to concentrate and direct urban growth where infrastructure is present and/or can be more feasibly provided" (Plan Objective 6) and support "Community Regions where growth will be directed and facilitated" (Plan Concept A).

The Board-endorsed growth scenario also accommodates the County's RHNA. The RHNA establishes the total number of housing units the County must accommodate to meet state requirements. Each jurisdiction is required by state law to ensure that sufficient land with appropriate zoning is available to accommodate its fair share of the region's future housing needs for all income groups for the 2013-2021 planning period. The SACOG is the agency tasked with identifying housing needs for each jurisdiction, consistent with state-approved regional forecast totals. As a result of this exercise, the total RHNA allocation for the West Slope of El Dorado County (excluding the City of Placerville and the Tahoe Basin) for the current eight-year planning period (January 1, 2013, through October 31, 2021) is 3,948 units. Approximately 2,600 of these units are for moderate income category and below, of which 1,515 are within the low to very low income category.

To accommodate both the current and future RHNA for very low and low income earners, the appropriate RHNA number to accommodate the 2015-2035 timeframe was adjusted. Staff applied the current RHNA's annual average of 189 units per year (1,515 total divided by eight years) to the 20-Year horizon of the project. This results in projected need to accommodate approximately 3,788 units for very low and low income earners over the 20-Year horizon.

Overall, the growth forecast includes approximately 16,600 dwelling units and 14,500 jobs in the unincorporated west slope from 2015 to 2035.

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<sup>1</sup> [http://www.edcgov.us/Government/Planning/General\\_Plan\\_Supporting\\_Documents.aspx](http://www.edcgov.us/Government/Planning/General_Plan_Supporting_Documents.aspx)



TIM Fee Project List

In order to determine what roadway improvement projects are needed through 2035, the growth forecast was modeled as directed by the Board. The need for roadway improvements takes into account the capacity of existing roadways, where new roadways are required, and inclusion of parallel capacity facilities. General Plan Policy TC-Xd was used to determine the LOS thresholds of the roadway network to determine what improvements would be needed. LOS is a scoring system that evaluates traffic conditions at intersections or along roadway segments based on the amount of congestion drivers are likely to experience during peak hours. LOS is a qualitative measure of the effect of a number of factors, including speed and travel time, traffic interruptions, freedom to maneuver, driving comfort and convenience. LOS are designated "A" through "F" from best to worst, which cover the entire range of traffic operations that might occur. LOS "A" through "E" generally represents traffic volumes at less than roadway capacity, while LOS "F" represents over capacity and/or forced flow conditions. General Plan Policy TC-Xd states that the County shall maintain LOS E in the Community Regions and LOS D in the Rural Regions and Rural Centers.

Draft Technical Memorandum 2-1: Traffic Analysis Methodology, prepared by KAI describes the analysis methodology, assumptions and tools used to determine what roadway improvements are required as a result of growth. See Attachment I.

Draft Technical Memorandum 2-3: Existing and Future Deficiency and Nexus Assessment (Attachment J), also prepared by KAI, provides information on the existing and future deficiency roadway analysis, which includes the Mitigation Fee Act nexus justification for the roadway improvement projects in the TIM Fee Program and the CIP program. The analysis includes results for the existing conditions and future year General Plan deficiency assessments and a roadway capacity threshold analysis to determine when the improvements will be needed.

As described in Draft Technical Memorandum 2-3 (Attachment J), if a roadway segment was projected to operate at an unacceptable LOS in the future, a transportation improvement project was identified to restore LOS to acceptable levels. These resultant roadway improvements make up the proposed TIM Fee project list which would be incorporated into the CIP. The TIM Fee project list includes the following types of projects:

- Projects needed to address future LOS deficiencies (e.g., local road widenings and Highway 50 improvements). This also includes parallel capacity projects (e.g., Saratoga Way, White Rock Road, Country Club Drive, etc.).
- Projects with current reimbursement obligations (e.g., Silva Valley Parkway Interchange).
- Line items for bridge replacement grant match funds, intersection improvements, transit capital improvements and program administration.

The existing TIM Fee Resolution Exhibit B, adopted in 2012, has been included as Attachment K as a reference point. The proposed 2035 TIM Fee Program project list (Attachment D) was completed by determining which roadway improvements would be required by 2035 based on the growth projection as directed by the Board on April 8, 2014 (1.03% annual growth rate, with 75% of growth occurring within Community Regions and 25% occurring outside of Community Regions) and consistent with General Plan policies inclusive of Measure Y. This list was created based solely on a quantitative analysis and did not take into account any other factors.

Attachment L provides information on the successful completion of TIM Fee Program roadway projects. Attachment M provides a list of roadway projects which are proposed to be modified, added or deleted when compared to the 2012 TIM Fee Program roadway list.

To the extent an approved development project considered, as part of its environmental review, a CIP project now proposed for removal, subsequent discretionary approvals for such a project may have to be reanalyzed if:

- a) Substantial changes are proposed in the project which will require major revisions of the EIR; or if
- b) Substantial changes occur with respect to the circumstances of the project being undertaken which will require major revisions to the EIR; or if
- c) New information, which was not known and could not have been known at the time the EIR was certified as complete, becomes available to determine if conditions of approval or mitigations would require changing as a result of the update to the TIM Fee and/or CIP program.

### TIM Fee Zones

A TIM Fee Zone is a geographic area where all developments of a certain land use type pay the same rate. TIM Fee Zones are established so that development in each zone generally pays its fair share of necessary improvements. In the creation of the 2004 General Plan TIM Fee Program (specifically, the 2006 TIM Fee Program, which resulted in the currently adopted 20-Year program) several variations of the TIM Fee Zones were evaluated. Consultant proposals originally considered a single zone for the entire West Slope or multiple zones with various boundaries. An eight-zone structure was ultimately selected as appropriate to recognize the different land use characteristics of various areas of the County, while keeping the number of zones manageable for ease of fee calculations, updates and implementation. The boundaries of these zones were based on a combination of the market areas included in the General Plan environmental analysis, historic community boundaries, traffic patterns, rural versus urban development patterns, etc.

Zone 8 (El Dorado Hills) was considered separately, primarily due to pre-existing agreements and development of this area under a previously created fee program referred to as the El Dorado Hills/Salmon Falls Area Road Improvement Fee Program. Zone 8 funds were used to pay for all local roads within that zone; the other TIM Fee Zones (1-7) did not contribute towards the Zone 8 improvements, and Zone 8 did not contribute toward improvements in other zones. The updated program will allow everyone to pay their fair share (i.e., Zones 1-7 will pay its fair share contribution towards Zone 8 local roads, and Zone 8 will pay its fair share contributions towards improvements in Zones 1-7).

During the Major Update process, staff and the consultant team reviewed the existing TIM Fee Zone structure, revisited how many zones should exist, their criteria, and other conditions. This analysis looked at whether changing the TIM Fee Zone structure could provide a more equitable distribution of fees. Note that holistically, a change in TIM Fee Zones does not lower fees (i.e., if fees decrease in one zone they must increase in another). Alternative TIM Fee Zone geographies simply dictate how fees are distributed geographically. Attachment N provides detail on four (4) different options of TIM Fee Zone geography that staff and the consultant team analyzed, including:

- Option 1: Existing eight (8) zone structure*
- Option 2: Planning Areas “smoothed” to conform to Travel Demand Model (TDM) TAZ boundaries (eight zone structure)*
- Option 3: Population Equivalency – Community Centered (five [5] zones) – i.e., fee zone boundaries adjusted based on achieving proportionate population in each zone while reducing the number of zones from eight (8) to five (5)*
- Option 4: Zones Grouped by Fee Level (four [4] zones) – i.e., zones with similar fees aggregated to reduce the number of zones from eight (8) to four (4)*

On December 7, 2015, the Board approved the use of Option 2: Smoothed 8 Zone TIM Fee Geography with Zones 2 and 3 merged since it provided a better reflection of TIM Fee Zones in accordance with the updated TDM, and was the most economically viable and equitable option.

*TIM Fee Program Land Use Categories*

Draft Technical Memorandum 3-1: TIM Fee Program Industry Standards and Current El Dorado County TIM Fee Program Issues (prepared by Urban Economics and included as Attachment O) is a memorandum which describes correct professional practices associated with the transportation impact fee programs in California, current El Dorado County TIM Fee Program practices, and opportunities for the County’s TIM Fee Program update.

Professional practice with regard to land use categories is to keep the number of categories to a minimum while still capturing significant differences between projects with different impacts. This approach is consistent with the current state of the practice for land use (growth) projections and transportation demand modeling. To effectively plan for large-scale transportation infrastructure (e.g., highways, major arterials, etc.), the analysis must incorporate long-range planning horizons of 20 to 30 years and large geographic areas (i.e., the west slope of El Dorado County). Consequently, the level of detail for the land use categories used in this type of analysis is appropriately limited to several high-level categories that can reasonably be projected over these long horizons and large regions.

As a result of the review of the land use categories, on September 22, 2015, the Board determined that the updated TIM Fee Program would have the categories as shown in Table 1 below.

**Table 1:** TIM Fee Program Land Use Categories

Residential	
Current	Proposed (no changes)
Single Family	Single Family
Multi-family	Multi-family
Age-restricted Single Family	Age-restricted Single Family
Age-restricted Multi-Family	Age-restricted Multi-Family

Non-Residential	
Current	Proposed
High Trip Commercial	Retail / Commercial
General Commercial	
Gas Station	Office
Office	
Industrial	Industrial / Warehouse
Warehouse	
Church	Church
Golf Course	(Delete)
Campground	(Delete)
Bed & Breakfast	Hotel / Motel
(None)	Per Trip Fee

Proposed TIM Fees

Upon determining what roadways are needed as a result of growth over the 20-Year growth horizon, a TIM Fee schedule can be created. Attachment B includes the updated draft TIM Fee Program schedule.

On December 7, 2015, the Board gave staff direction that the cost of sidewalk, curb and gutter, and right-of-way would be removed from the TIM Fee Program in locations where future development could provide right-of-way and construct frontage improvements. Development would be required to provide sidewalk, curb and gutter, and right-of-way at its own cost and without reimbursement. This practice is consistent with many other local jurisdictions, including Placer County. As a result, a Frontage Improvement Ordinance will be presented for adoption by the Board in November/December along with a TIM Fee Program Ordinance and TIM Fee Program Schedule Resolution.

Attachment B includes an Existing vs Proposed TIM Fee comparison chart which demonstrates that most fees have greatly decreased. The overall draft TIM Fee Program has been reduced from \$804.3 million to a proposed \$396.2 million, an approximate 49% reduction. There are several factors involved with the decrease, which include a revised and reduced growth forecast (from an existing 3% annual growth rate to 1%), revised project cost estimates, and decrease of CIP projects or reduction in scope of CIP projects.

The only fee increases are in the church, office, industrial, and warehouse categories in Zones 2, 3, and 8. While the increase in these categories and zones are by large percentages, the absolute dollar increases are modest. With regards to the warehouse category, on May 5, 2015 the Board agreed with staff's recommendation to merge the industrial and warehouse categories to reduce the incentive for developers to build a shell building and push the incremental industrial fee onto future tenants when they build out improvements. A single TIM Fee will now be paid up front, instead of a lower TIM Fee paid up front and a larger TIM Fee paid later by the new tenant or business owner (which is often an unwelcome surprise to them). The result is a larger increase in the fees for the warehouse category. This change will address a significant issue that has been raised by many people over the years.

**6. Approach to Public Outreach**

The public outreach effort consisted of multiple channels of engagement to ensure maximum participation by residents, business owners, developers and other focus groups. This included the development and maintenance of a project-specific website, proactive social media, a series of topic-specific focus groups/roundtable discussions, public workshops, and Board meetings. The outreach was targeted and tiered for maximum effectiveness.

Attachment P provides an illustration of the public engagement program and how its components interrelate. The outreach program was organized in three phases:

- Education: To provide an opportunity for the public to gain a clear understanding of the purpose of the effort and an opportunity for them to share concerns and/or ideas about future needs, deficiencies and growth.
- Interaction: To provide an opportunity for the public to review what was learned in the outreach effort, and validate or question the appropriateness of the direction given.
- Review: To provide an opportunity to review the proposed fee structure and CIP that will be presented to the Board for adoption and comment.

The outreach effort proved to be successful. Staff and the Consultant team held three rounds of workshops (total of five Public Workshops) and two rounds of Focus Group Meetings (total of 10 Focus Group Meetings). Staff thought that it would be important to maintain a project website to contain all up to date and historical background information on the projects. For those that were unable to attend the

public workshops, a virtual workshop was available online for further comment and public participation. The virtual workshops were also successful. The last public workshop was held in December 2015. As of January 27, 2016, 115 people have viewed the presentation online.

The project website tracked over 5,600 individual sessions since launch between the website and the interactive mapping tool. The website has over 4,500 users and 1,300 active users. The website has had more than 7,500 page views. Fifty-two people have signed up for eNews blasts and we have received over 290 comments via our mapping tool and 17 comments online.

## **7. EIR Status**

The original scope of work identified a Mitigated Negative Declaration as the likely environmental document to provide a legally defensible TIM Fee Program. However, after the traffic analysis was completed two new road segments were identified for inclusion in the TIM Fee Program. The addition of two new road segments from the previous TIM Fee Program and the identification of an alignment for the Latrobe Connection necessitate a General Plan Amendment to update Figure TC-1 and appurtenant General Plan policies and text. Based on the traffic analysis and the need for General Plan Amendments, it was determined that a Programmatic EIR is the most appropriate document to prepare pursuant to CEQA for the Major CIP and TIM Fee Update.

The Programmatic EIR discusses the impacts of the proposed Major CIP and TIM Fee Update, as well as the proposed General Plan Amendments. The General Plan Amendment includes the removal of the employment cap on the El Dorado Hills Business Park, since the LOS issues at the White Rock Road and Latrobe Road intersection are mitigated with the proposed Latrobe Connection project.

The El Dorado Hills Business Park employee cap and any alternatives to mitigate unacceptable LOS at the intersection of White Rock Road and Latrobe Road were thoroughly reviewed, analyzed and the results documented in the 2004 General Plan EIR. The *CEQA Finding of Fact*, adopted by the Board on July 19, 2004, lists the measures adopted to mitigate the impacts from development in the Business Park to White Rock and Latrobe Roads:

- Mitigation Measure 5.4-1(a): Amend the Circulation Diagram to include a new Arterial Roadway from El Dorado Hills Business Park to U.S. 50. This became Policy TC-1u and Implementation Measure TC-V (1).
- Mitigation Measure 5.4-1(b): Add New Growth Control Implementation Measure. This became Policy TC-1y and Implementation Measure TC-V (2).
- Mitigation Measure 5.4-1(d): Amend the Circulation Diagram to Include a Frequent Transit Service on Exclusive Right-of-Way to the El Dorado Hills Business Park. This became Policy TC-1v and Implementation Measure TC-V (3).

The TDM and the land use forecast for 2035 have been completed and used for the Major CIP and TIM Fee Update. This analysis shows the continued need for the Latrobe Connection to meet LOS standards on Latrobe Road, White Rock Road and the Latrobe Road/White Rock Road intersection. The project has been incorporated into the update of the CIP and TIM Fee Program. The proposed mitigation will include the use of existing roadways with minor improvements. The proposed improvement will allow the employee cap on the El Dorado Hills Business Park to be lifted.

On December 7, 2015 the Board adopted Resolution of Intent (ROI) 204-2015 (Attachment Q) and directed staff to proceed with the General Plan Amendment. The Board also gave staff direction on December 15, 2015 to proceed with the Programmatic EIR.

The following steps have been taken as part of the CEQA process:

- Environmental Constraints Analysis
- The Notice of Preparation (NOP) for the Programmatic EIR was filed with the state clearinghouse on February 5, 2016
- Public scoping meeting was held on March 3, 2016
- The 30-day comment period closed for the NOP on March 7, 2016
- Draft Programmatic EIR and Notice of Availability (NOA) were released for a 45-day public review on May 19, 2016.
- Review Period for the Draft EIR ended on Tuesday, July 5, 2016 at 5:00 p.m.

## **8. Next Steps**

Next steps include:

- In October/November, staff will present the Major CIP and TIM Fee Program Update to the Planning Commission. Staff anticipates requesting that the Planning Commission:
  - 1) Make a finding of consistency for the CIP with the General Plan,
  - 2) Make a recommendation to the Board for approval of the proposed General Plan Amendment to the Transportation and Circulation Element,
  - 3) Make a recommendation for approval of the Programmatic EIR, and
  - 4) Receive and file the TIM Fee Schedule Resolution, TIM Fee Program Ordinance and Resolution, and Frontage Improvement Ordinance.
- In November/December, staff will return to the Board for:
  - 1) Final adoption of the TIM Fee Program roadway list,
  - 2) Final adoption of the TIM Fee Program Nexus Study,
  - 3) Adoption of the 2016 CIP Book,
  - 4) Final adoption of the TIM Fee Program,
  - 5) Adoption of and first reading of the TIM Fee Ordinance,
  - 6) Adoption of and first reading of the Frontage Improvement Ordinance,
  - 7) Adoption of the TIM Fee Program Schedule Resolution,
  - 8) Certification of the EIR, and
  - 9) Adoption of the General Plan Amendment for the Transportation and Circulation Element.
  - 10) Draft TIM Fee Program Administration Manual to receive and file.
- In December/January, staff will return to the Board for the second reading of the TIM Fee Ordinance and the Frontage Improvement Ordinance.
- In December/January, staff will return to the Board to approve the TIM Fee Program Administration Manual.

## **Contact**

Claudia Wade, Sr. Civil Engineer  
Community Development Agency, Long Range Planning Division