



DEPARTMENT OF TRANSPORTATION TRANSPORTATION PLANNING

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TO: Board of Supervisors

FROM: Zach Oates, Sr. Civil Engineer

Subject: 2026 Annual Update to the Traffic Impact Fee (TIF) Program

PURPOSE AND SUMMARY

On December 3, 2024, 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. A further revision was adopted on June 10, 2025. General Plan Implementation Measure TC-B 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 10, 2026 (Legistar File 25-2038).

The purpose of today's hearing is to adopt the 2026 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 2024 Major Update to the TIF Program was adopted by Resolution 213-2024 and revised by Resolution 073-2025. 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.” 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 projects with TIF funding as displayed in Table 1 below.

The revised project cost estimates are a result of inflation and the changes 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 3.6% 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 December 2024 to December 2025. Other adjustments are a direct result of state and federal grant funds applied to project estimates, resulting in less TIF needing to be collected.

The following project has been added to the TIF Program based upon the proposed 2026 CIP Book and the Board's direction at the CIP Workshop:

- The Silva Valley Parkway at Appian Way Intersection Improvements project (36105087) will construct intersection improvements, including but not limited to: minor roadway widening, re-striping of lanes, installation of ADA curb ramps and crosswalks, and installation of a traffic signal. Estimated projects costs are \$2,625,000 and will be funded by TIF – Zone C funds.

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 2025 TIF and the proposed 2026 TIF are shown in Attachment E. Changes to the TIF depend upon the zone and land use type. Zone A and B fees increased by approximately 5% for residential, and Zone C increased approximately 3% for residential. Non-residential fees increased between 3% and 6% depending on the location and use type.

Table 1: Revised Cost Estimates for CIP Projects with TIF Funding

CIP Number	Project	2025 Cost Estimate ¹	2026 Cost Estimate
36105007	Country Club Dr. Extension – El Dorado Hills Blvd to Silva Valley Parkway	\$25,261,000	\$26,168,000
36105009	Country Club Dr. Extension – Tong Rd. to Bass Lake Rd./Old Bass Lake Rd.	\$21,109,000	\$21,790,000
36105014	Green Valley Rd. at Indian Creek – Bridge Replacement ²	\$6,968,000	\$7,123,000
36105015	Green Valley Rd. at Mound Springs Creek – Bridge Replacement ²	\$7,642,000	\$7,792,000
36105018	Green Valley Rd. Widening – East of Francisco Dr. to East of Silva Valley Pkwy.	\$20,000,000	\$20,720,000
36105024	Latrobe Connection	\$3,912,000	\$4,041,000
36105049	El Dorado Hills Blvd Overlay - Saratoga to Harvard Way	\$6,147,000	\$0
36105056	Green Valley Road at Loch Way Intersection Improvement	\$2,591,000	\$2,481,000
36105069	Latrobe Road – Golden Foothill Pkwy. (N) to White Rock Rd.	\$8,132,000	\$8,425,000
36105082	Hollow Oak Drive at Bass Lake Road Turn Pocket	\$2,231,000	\$2,311,000
36105083	Robert J Mathews Drive at Golden Foothill Parkway Roundabout	\$3,021,000	\$3,130,000
36105087	Silva Valley Parkway at Appian Way Intersection Improvements	\$0	\$2,625,000
36109004	Transit Service Improvements	\$1,614,000	\$1,632,000
36104003 & 36104004	US 50/Silva Valley Parkway Interchange – Phases 1 & 2	\$14,358,000	\$14,802,000
36104005	US 50/Bass Lake Interchange Improvements – Phase 1	\$6,626,000	\$13,504,000
36104006	US 50/Cambridge Road Interchange Improvements	\$11,820,000	\$12,244,000
36104007	US 50/Cameron Park Drive Interchange Improvements	\$27,842,000	\$28,789,000
36104008 & 36104009	US 50/Ponderosa Road Interchange Phase 1A – North Shingle Road Realignment & Phase 1B – Durock Road Realignment	\$43,292,000	\$46,909,000

CIP Number	Project	2025 Cost Estimate ¹	2026 Cost Estimate
36104011 & 36104012	US 50/El Dorado Road Interchange Improvements – Phase 1 & Phase 2	\$21,643,000	\$21,892,000
36104021	US 50 Auxiliary Lane Westbound – El Dorado Hills Blvd. Interchange to Sacramento County Line	\$4,460,000	\$4,620,000
36104031	Forni Road at Pleasant Valley Road/Hwy 49 Realignment	\$6,922,000	\$7,171,000

Notes:

¹ 2025 cost estimates generated as part of the 2024 Major Update and the adopted 2025 CIP Book. 2026 updates reflect ENR Cost Index adjustment for the period December 2024 to December 2025, and updated cost estimates provided by CIP project managers in preparation of adopting the 2026 CIP Book.

² The TIF Program funds 11.62% 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 2024 Major Update and 2025 Revision to the TIF Program. This Update includes one new project that was presented at the CIP Workshop on March 10, 2026, and will be added to the 2026 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.

RECOMMENDATION

Staff recommends adopting the Resolution for the 2026 TIF Schedule Annual Update.

CONTACT

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 Director, Department of Transportation