

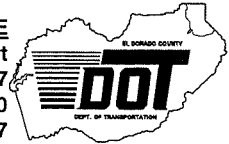


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March 31, 2011

El Dorado County Board of Supervisors
330 Fair Lane
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Subject: 2004 General Plan Traffic Impact Mitigation (TIM) Fee Program Analysis

Honorable Supervisors,

As a part of my February 25, 2011, letter to the Board on the Age Restricted Traffic Impact Mitigation (TIM) fee issue, I recommended that the Board direct the Department of Transportation (Department) to explore four areas where there may be an opportunity to reduce the TIM Fee Program's cost and thereby provide the Board with the opportunity to make adjustments to the TIM Fee Program, such as reducing the fees, creating new fee categories, etc.

Those four areas were:

- A) Deletion of projects not absolutely necessary for traffic impact mitigation. The trigger would be compliance with General Plan Level of Service requirements.
- B) Deletion of the remaining HOV lane project (i.e., Bass Lake Road to Cameron Park Drive section) from the fee program as it is expected the Casino revenue will cover the costs.
- C) Reduction of the "Traffic Signal" line item in the TIM Fee Program. This has implications as to what the County will need to require from developers (e.g., developer constructed signals with no reimbursement).
- D) Identify the likely impacts of eliminating any expenditure on the State Highway System with the exception of the Silva Valley Parkway Interchange project.

The Board directed the Department to return with an estimated time and cost needed to complete each of the above options. The Board also directed the Department to provide this information for the entire County and with the Tim Fee Zone 8 separated out.

A. Deletion of projects not absolutely necessary for traffic impact mitigation.

Some projects within the TIM Fee Program may not be necessary for regional traffic impact mitigation and may be removed from the program without violating General Plan policies. These might include the Headington Road project, Country Club Drive from Silva Valley Parkway to Bass Lake Road, and the Palmer Drive/Wild Chaparral Road Connection (not

currently in the fee program, however the Board has directed it be included once the necessary environmental documentation is completed). Deletion of these and similar projects could result in cost savings.

The Department is not recommending deletion of any specific projects at this time. Rather, if directed by the Board to proceed, the Department will accomplish the following tasks and return to the Board for final decisions on what projects to delete:

1. Identify and list all projects that may fit into this category along with their individual cost savings;
2. Determine if any environmental update to the General Plan Environmental Impact Report (EIR) would be necessary for any or all of the listed projects;
3. Identify any other significant issues, such as a preclusion of future developer reimbursement possibilities, to the TIM Fee Program; and
4. Return to the Board with a summary report briefly describing why each project is on the list with any possible ramifications identified, and requesting a decision on what projects should be removed from the fee program. The report will also detail the costs and time of any additional work that may be required to actually remove the projects from the program (e.g., environmental documentation).

The estimated staff time and cost for this initial task (creating the list and summary report):

- o Zone 8 only: 30 hours of staff time, \$4,500 in staff costs, 8 weeks to deliver
- o All zones (including Zone 8): 50 hours of staff time, \$7,000 in staff costs, 12 weeks to deliver

B. Deletion of the remaining US 50 High Occupancy Vehicle (HOV) Lane Project (i.e., Bass Lake Road to Cameron Park Drive) from the TIM Fee Program.

The Department's Capital Improvement Program (CIP) identifies this segment of the HOV lanes as project 2A. The TIM Fee Program also includes this project at a cost of \$24,865,174.00 (approximately 2.5% of the overall program). The Department is comfortable in deleting this project from the Fee Program at this time because the County has received two annual payments from the Casino with assurances they will continue to meet their obligation for annual payments.

The Department proposes to remove this project and adjust the overall program costs during the current TIM Fee Program annual update cycle. I must note, however, that this will not automatically reduce the TIM Fee rates because during the past two annual update cycles (June 2, 2009 and June 8, 2010), the Department recommended that the needed fee increases totaling approximately \$52.8M not be implemented due to the poor economy. The Board accepted that recommendation and took action to not raise the fees at that

time. That action resulted in the \$995.7M program having only \$942.9M in projected revenue. Removing the remaining US 50 HOV Lane Project will help reduce that gap but will not eliminate it.

No additional staff costs are associated with this task as there will be no significant increase in the time to complete the annual update.

C. Reduction of "Traffic Signal" line item in the TIM Fee Program.

The TIM Fee Program includes a line item entitled "Traffic Signal, Operational and Safety Improvements" with a total cost of \$110.2 million (approximately 11% of the overall program). The traffic signal projects average approximately \$3.5M each and include such intersection improvements as widening for turn pockets and shoulders, bike and pedestrian facilities, American with Disabilities Act (ADA) required improvements. The operational and safety improvement costs are to pay only for required local match funds on State and Federal grants for operational improvement projects such as Intelligent Transportation System (ITS) facilities and safety projects such as high accident location mitigation improvements.

Additionally, the Fee Program includes funding for several studies (e.g., Ray Lawyer Drive Extension, Forni Road, and Highway 50 in Camino) with a combined cost of \$4.7M in program costs. There is a Bridge Funding line item similar to the safety projects described above where the funds are used for the local match on State and Federal grants for bridge projects (\$15.7M). There is a Transit Improvements line item for the construction of Park and Ride lots, purchase of commuter buses, etc., totaling approximately \$10.5M.

The ramification of reducing funding for the Traffic Signal line item is primarily fewer intersections in the County being signalized through the Fee Program. Signals beyond those funded by the Fee Program would need to be funded from some other source. For example, development projects would be required to construct signal improvements without any hope for reimbursement.

The ramification of reducing funding for the grant match funds could be the reduction in outside grants used by the County to construct needed improvements. This is a case where spending a dollar of our money nets nine dollars of their money.

The Department is not recommending the deletion or reduction of any of these specific line item amounts at this time. Rather, if directed by the Board to proceed, the Department will look at the issues with such a deletion or reduction and report back to the Board on the impacts of such decision(s) by the Board. One of the issues we need to review is how much of these line items have already been expended. In some cases this may preclude deleting the line item entirely. Based upon any direction given by the Board, the Department will prepare a summary report discussing various alternatives along with a

recommendation concerning the above items, so that the Board can determine specific changes to be made to the TIM Fee Program.

The estimated staff time and cost for this initial task (doing the necessary research and preparing the summary report) is 50 hours of staff time, \$7,000 in staff costs, and 12 weeks to deliver. I have not included a separate estimate for Zone 8 because these are West Slope-wide line items and cannot be directly split out by Zones.

D. Identify likely impacts of eliminating any expenditure on the State Highway System.

Approximately half of the TIM Fee Program is for improvements on the State Highway System. This is made up of approximately \$14M for miscellaneous improvements on Highway 49, approximately \$75M for main line improvements on Highway 50, and almost \$400M for the eight interchange projects. The Silva Valley Parkway Interchange Project has the unique characteristic of a restricted Set-Aside account, while the Missouri Flat Interchange Project includes funding from the Missouri Flat Master Circulation and Funding Plan (MC&FP). All the interchanges have some degree of funding from the Zone fees for local roads with the El Dorado Hills Boulevard and the Silva Valley Parkway Interchange Projects being wholly funded by Zone 8 local road funds.

As the Board is aware, a great deal of funding, both TIM Fee Program and State and Federal grant funding, has been expended for these projects. Any actions to eliminate all or a portion of the State Highway projects from the Fee Program will have to take those expenditures into account. Several of the projects, such as the Missouri Flat Interchange Project, simply cannot be eliminated from the Fee Program because that Project is moving toward completion and all the funds have been obligated.

Additional issues that will need to be analyzed include the need for additional environmental documentation – likely a supplement to the General Plan EIR. Also, the TIM Fee Program includes an expectation for approximately \$180M in State and Federal grant funds. Since most of these grants are directed at State Highway improvements, the elimination of State Highway projects from the Fee Program may put those funds at risk.

Given the complexity of this portion of the Fee Program, along with the issue of compliance with General Plan policies, effects of reimbursement and development agreements, State Government Code requirements, etc., the Department recommends the Board provide any guidance and instructions on how you want to proceed in this regard. Such direction may include looking at only removing selected interchanges, removing the Highway 49 projects, or removing the Highway 50 mainline projects to the extent possible.

With any such direction from the Board, the Department would work with County Counsel and other departments to analyze the issues and return with a summary report on what the options for the Board might be within the constraints of the above items.

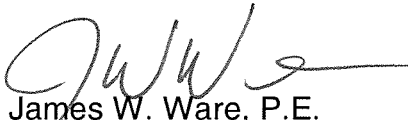
The estimated staff time and cost for this initial task (doing the necessary research and preparing a summary report of all issues and their ramifications), depending upon the Board's direction, is 300 hours of staff time, \$45,000 in staff costs, and 6 months to deliver the report to the Board. This estimate is for the elimination of all of the projects on the State Highway system. If the Board directs a reduced scope of analysis, such as 'only look at interchange A', a reduced amount of time and cost would be required, however, much of the work would be necessary regardless because a great deal of the research involved with such issues as California Environmental Quality Act (CEQA) would be the same.

I have not included a separate estimate for Zone 8 because the issues involved with this item are West Slope wide issues (e.g., General Plan compliance) and can be analyzed on a global scale for this first step. If the Board desires to make a change impacting only Zone 8, we recommend that you provide that as direction and we will proceed and adjust the above estimates appropriately (likely only a 10% to 15% savings).

Funding and timing of this work

The funding for this analysis is from the TIM Fee Program itself. The Program includes a line item for periodic updating of the Program and this work clearly falls within that description. I also want to let the Board know the Department is not proceeding with the 2011 Annual Update of the Program until we have completed a "third party outside" review. By separate letter I describe my decision to have an outside party review the 2011 CIP.

Sincerely,



James W. Ware, P.E.
Director of Transportation