



COMMUNITY DEVELOPMENT SERVICES LONG RANGE PLANNING

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TO: Board of Supervisors

FROM: Natalie K. Porter, Senior Civil Engineer

Subject: 2019 Annual Update to the Traffic Impact Mitigation (TIM) Fee Program

PURPOSE AND SUMMARY

On December 6, 2016 the Board of Supervisors (Board) adopted the Major Update to the Capital Improvement Program (CIP) and 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 Ordinance 5045 state that the fee program shall be updated annually for changes in project costs.

The purpose of today's hearing is to adopt the 2019 Annual Update to the TIM Fee Program, which adjusts project costs.

BACKGROUND

A TIM 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 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. TIM 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.

TIM Fee 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 new projects.

The 2016 Major Update to the CIP and TIM Fee Program was adopted by Resolution 191-2016. 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. 5045 states, in part, “Fees shall be adjusted annually by an increase or decrease by either actual project costs or by Engineering News-Record (ENR) Building Cost Index, as appropriate. TIM Fees shall be set and updated by a resolution as adopted by the Board, and administered via a TIM Fee Administration Manual.”

The TIM Fees have been adjusted twice since the 2016 Major Update, in December of 2017 for the annual update, and in June 2018 for a Technical Update to address changes of methodology in the latest edition of the *Highway Capacity Manual*.

DISCUSSION

Department of Transportation staff has provided updated cost estimates for seven individual projects. Table 1 displays the revised project cost estimates.

CIP Number	Project	2018 Cost Estimate	2019 Cost Estimate
66109/36104005	Bass Lake Road Widening – US 50 to North of New Country Club Drive	\$14,260,000	\$1,500,000
71360/36105010	Country Club Drive – Bass Lake Road to Tierra de Dios Dr. Realignment	\$7,969,000	\$14,633,000
71361/36105009	Country Club Drive – Tong Road to Bass Lake Road	\$13,258,000	\$13,220,000
73365/36105052	Enterprise Drive/Missouri Flat Road Signalization	\$2,484,000	\$2,994,000
77136/36105015	Green Valley Rd at Mound Springs – Bridge Replacement ¹	\$5,638,000	\$6,043,000
77114/36105017	Green Valley Rd at Weber Creek – Bridge Replacement ¹	\$12,115,000	\$11,915,000
77115/36105040	Sly Park Rd at Clear Creek Crossing – Bridge Replacement ¹	\$6,804,000	\$6,546,000
Total		\$62,528,000	\$56,851,000
Notes:			
¹ The TIM Fee Program funds 11.47% of the cost of bridge projects shown in this table. Federal funds are used to cover the remaining project cost.			

In addition to changing the cost estimates for the projects listed above, all other project costs were adjusted for inflation. Pursuant to Resolution 191-2016, the inflation rate is

calculated using the ENR Building Cost Index (BCI) (Attachment B). The ENR BCI is used industry-wide to adjust project costs for inflation. Each month, ENR calculates the 20-city average cost of four common construction components: skilled labor, structural steel, portland cement, and lumber. The average cost is compared to a benchmark cost to develop the BCI.

The project costs were adjusted for inflation in December 2017 using the November 2017 BCI. The November 2017 BCI is 5902 and the January 2019 BCI is 6108. The percent difference in BCI is the inflation rate between the two dates. Therefore, all TIM Fee projects that do not have revised cost estimates were adjusted for inflation by +3.5%.

The Bass Lake Road and Country Club project costs have substantially changed. See specific details below:

- Bass Lake Road – US Highway 50 to North of Realigned Country Club Drive, CIP #72BASS (Formerly Bass Lake Road – US Highway 50 to Serrano Parkway): the limits of this project have traditionally been between US Highway 50 and Serrano Parkway. The latest update of the Traffic Impact Fee (TIM) Fee Program identified a forecasted deficiency on Bass Lake Road to LOS E just north of US Highway 50. It was brought to Transportation's attention that LOS E is acceptable in the community region and therefore, the limits of the widening should be only in the rural region of Bass Lake Road. The rural region/community region boundary line is approximately 1,500 feet north of US Highway 50, just south of City Lights Drive. The new northern limit of the Bass Lake Road widening is proposed to be the rural/community region boundary line, not including tapers.
- Country Club Drive Realignment – Bass Lake Road/Old Bass Lake Road to Tierra de Dios Drive, CIP #71360: staff proposes to increase the funding for construction based on the latest cost estimate for the project. The costs for the portions of the renamed Bass Lake Road – US Highway 50 to North of Realigned Country Club Drive project (CIP #72BASS), and the Country Club Drive Realignment – Tong Road to Bass Lake Road/Old Bass Lake Road, (CIP #71361) that are included in the 71360 realignment project will be reallocated to the 71360 project. These costs include grading, tapers, and bike path on Bass Lake Road, and the signal installation from the 71361 project.

The revised TIM Fees for all zones and land use types are shown in Exhibit A of the proposed Resolution (see Attachment C). The updated project cost adjustments and inflation adjustments, are shown in Exhibit C of the proposed Resolution (Attachment C) and the comparison of the current 2018 TIM Fees and the proposed 2019 TIM Fees are shown in Attachment D. Depending on the zone and land use type, TIM Fees have increased by 0% - 8%. The average increase in TIM Fees is 3.7%.

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

This Update only includes adjustments to project costs. All other assumptions, methodologies, and technical calculations are identical to the 2018 Technical Update to the TIM Fee Program. This Update does not include changes to the number, location, or type of CIP projects in the TIM Fee Program. It does not include any changes to the magnitude or location of growth. It does not include any updates to analysis methodologies or the TIM Fee Zone boundaries.

RECOMMENDATION

Staff recommends adopting Resolution XXX-2019 for the 2019 TIM Fee Schedule Annual Update.