



## COMMUNITY DEVELOPMENT SERVICES LONG RANGE PLANNING

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December 12, 2017

TO: Board of Supervisors

FROM: Natalie K. Porter, Traffic Engineer

Subject: 2017 Minor Update to the Traffic Impact Mitigation (TIM) Fee Program

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### **PURPOSE AND SUMMARY**

On December 6, 2016 the Board of Supervisors (Board) adopted the Major Update to 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 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 2017 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. 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 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 Capital Improvement Program (CIP) projects that are needed to accommodate new development projected over the next 20 years, which includes 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 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 Building Cost Index, as appropriate. TIM Fees shall be set and updated by a resolution as adopted by the Board of Supervisors, and administered via a TIM Fee Administration Manual.”

The 2016 Major Update to the TIM Fee Program resulted in decreased TIM Fees for almost all zones and land use types. The project costs were estimated in September 2015. Since then, project costs have changed due to changes in scope, actual construction costs, and inflation. This will result in a change in TIM Fees for all zones.

### DISCUSSION

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

<b>Table 1: Revised Cost Estimates for CIP Projects</b>			
<b>CIP Number</b>	<b>Project</b>	<b>2015 Cost Estimate</b>	<b>2017 Cost Estimate</b>
71324, GP147	Saratoga Way – El Dorado Hills Blvd to Iron Point Road	\$11,549,000	\$12,638,000
77127	Green Valley Rd at Indian Creek <sup>1</sup>	\$4,015,769	\$5,574,000
77136	Green Valley Rd at Mound Springs Creek <sup>1</sup>	\$4,067,770	\$5,598,000
77114	Green Valley Rd at Weber Creek <sup>1</sup>	\$11,616,000	\$12,115,000
77115	Sly Park Rd at Clear Creek <sup>1</sup>	\$5,835,000	\$5,816,000
77142	Cedar Ravine Rd at Weber Creek <sup>1</sup>	\$4,500,000	\$3,248,000
77116	Bucks Bar Rd at North Fork Consumnes River <sup>1</sup>	\$8,542,357	\$8,556,000
<b>Total</b>		<b>\$50,125,909</b>	<b>\$53,545,000</b>

Notes:

<sup>1</sup> 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. Refer to Nexus Study for more details.

The TIM Fee Program also funds future improvements to transit. El Dorado County Transit Authority staff provided revised cost estimates two projects, as shown in Table 2.

<b>Project<sup>1</sup></b>	<b>2015 Cost Estimate</b>	<b>2017 Cost Estimate</b>
County Line Transit Center	\$8,900,000	\$6,075,000
Cameron Park Park-and-Ride	\$2,350,000	\$3,650,000
<b>Total</b>	<b>\$11,250,000</b>	<b>\$9,725,000</b>

Notes:  
<sup>1</sup> New development is responsible for funding 20% of the County Line Transit Center and Cameron Park Park-and-Ride projects. Refer to the Nexus Study for more details.  
 Source: *Park-and-Ride Master Plan*, El Dorado County Transit Authority (September 2017).

The TIM Fee Program includes reimbursement agreements for various projects that have already been constructed. Table 3 displays the adjustments made to the reimbursement agreements for the 2017 Update. All other reimbursement agreements remain unchanged.

<b>CIP Number</b>	<b>Project</b>	<b>2015 Reimbursement Balance<sup>1</sup></b>	<b>2017 Reimbursement Balance<sup>2</sup></b>
71328	Silva Valley Pkwy Interchange – Phase 1	\$16,194,966	\$16,380,137
76107	Silver Springs Pkwy – Green Valley Rd Intersection	\$2,002,509	\$2,139,483
66108	Silver Springs Pkwy – Offsite	\$3,889,855	\$3,862,152
<b>Total</b>		<b>\$22,087,330</b>	<b>\$22,381,772</b>

Notes:  
<sup>1</sup> Based on payments remaining as of July 1, 2015 and excluding reimbursement agreements to be retired in FY 2016.  
<sup>2</sup> Based on payments remaining as of July 1, 2017.

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 Engineering News-Record (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 for the 2016 Major TIM Fee Program Update were estimated in September 2015. The BCI for September 2015 is 5541. The November 2017 BCI is 5902. 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 +6.5%.

Attachment C shows the TIM Fee Nexus Report for the 2017 Minor Update. Project cost adjustments, reimbursement agreement balances, and inflation adjustments are shown in Tables 6 - 9. The revised TIM Fees for all zones and land use types are shown in Table 19. Section 5 displays the comparison of the current 2016 TIM Fees and the proposed 2017 TIM Fees. Depending on the zone and land use type, TIM Fees have increased by 0% - 11%. The average increase in TIM Fees is 5.7%.

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 2016 Major CIP and TIM Fee Program Update. 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.

Long Range Planning is also currently working on the 2018 Technical Update to the TIM Fee Program. The 2018 Technical Update will include updates to land use assumptions outside El Dorado County, updates due to the latest version of the Highway Capacity Manual, slight changes in zone boundaries, as well as any further changes in project costs. Staff expects to present the 2018 Technical Update to the Board in spring/summer 2018.

Options:

1. *Adopt Resolution 172-2017 for the 2017 TIM Fee Schedule Update, including the updated for cost adjustments TIM Fee Nexus Study.*
2. *Adopt Resolution 172-2017 for the 2017 TIM Fee Schedule Update, including the updated for cost adjustments TIM Fee Nexus Study, contingent on recommended changes to the Update.*
3. *Recommend changes to the 2017 TIM Fee Schedule Update and request staff to return to the Board prior to adoption.*
- 4.

**RECOMMENDATION**

Staff recommends adopting Resolution 172-2017 for the 2017 TIM Fee Schedule Update, including the updated TIM Fee Nexus Study.

**CONTACT**

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