



DEPARTMENT OF TRANSPORTATION TRANSPORTATION PLANNING

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May 2, 2023

TO: Board of Supervisors

FROM: Zach Oates, Sr. Civil Engineer

Subject: 2023 Annual Update to the Traffic Impact Fee (TIF) Program

PURPOSE AND SUMMARY

On December 8, 2020 the Board of Supervisors (Board) adopted the Major Update to the now named 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. General Plan Implementation Measure TC-B, Resolution 191-2016, 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 7, 2023 (Item 36, Legistar 23-0055).

The purpose of today's hearing is to adopt the 2023 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 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. TIF's 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 new projects.

The 2020 Major Update to the TIF Program was adopted by Resolution 196-2020. 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. 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 eighteen projects. Table 1 displays the revised project cost estimates.

The increases applied to project costs are a result of inflation and the increase 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 4.9% 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 January 2022 to January 2023.

The Latrobe Road Widening - Investment Blvd. to Golden Foothill Parkway/Club View Drive Project (CIP #72LATROBE/36105055) was added to the 2023 CIP Book during the 2023 Board Workshop. The project had previously been moved to the “no longer needed” section of the CIP Book during the 2020 major update to the CIP due to the decrease in the County’s growth projections. However, increased development in the business park area demonstrates the renewed need for the widening of this arterial road. The Latrobe Road Widening project is not included in this annual update to the TIF Program Fee Schedule as additional analysis is required to update the TIF Program Nexus Study to fulfill the requirements of the Mitigation Fee Act. A separate item and fee schedule adjustment will be brought forth for the Board’s consideration later in 2023.

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 2022 TIF and the proposed 2023 TIF are shown in Attachment E. Depending on the zone and land use type, TIF have increased in Zone A by approximately 7.4%, Zone B increased by approximately 5.6% and Zone C increased by approximately 3.2%.

Table 1: Revised Cost Estimates for CIP Projects with TIF Funding			
CIP Number	Project	2022 Cost Estimate	2023 Cost Estimate
72377/36105007	Country Club Dr. Extension – East of El Dorado Hills Blvd. to Silva Valley Pkwy	\$24,281,000	\$25,261,000
71362/36105008	Country Club Dr. Extension – Silva Velly Pkwy. to Tong Rd.	\$13,227,000	\$13,664,000
71361/36105009	Country Club Dr. Extension – Tong Rd. to Bass Lake Rd./Old Bass Lake Rd.	\$20,581,000	\$21,380,000
72334/36105011	Diamond Springs Parkway – Phase 1B	\$33,757,000	\$34,257,000
77127/36105014	Green Valley Rd. at Indian Creek – Bridge Replacement ¹	\$5,945,000	\$6,005,000
77136/36105015	Green Valley Rd. at Mound Springs Creek – Bridge Replacement ¹	\$6,560,000	\$6,609,000
GP178/36105018	Green Valley Rd. Widening – East of Francisco Dr. to East of Silva Valley Pkwy.	\$16,672,000	\$17,489,000
66116/36105024	Latrobe Connection	\$2,898,000	\$3,040,000
GP154/36105069	Latrobe Road – Golden Foothill Pkwy. (N) to White Rock Rd.	\$6,744,000	\$7,074,000
72142/36105027	Missouri Flat Road – China Garden Rd. to SR 49	\$8,773,000	\$9,203,000
53118/36109004	Transit Service Improvements	\$3,580,000	\$3,754,000
53115/36104021	US 50 Auxiliary Lane Westbound – El Dorado Hills Blvd. IC to Sacramento County Line	\$3,553,000	\$3,727,000
71330/36104005	US 50/Bass Lake Interchange Improvements – Phase 1	\$6,227,000	\$6,531,000
71332/36104006	US 50/Cambridge Road Interchange Improvements	\$11,109,000	\$11,651,000
72361/36104007	US 50/Cameron Park Drive Interchange Improvements	\$25,997,000	\$27,181,000
71347/36104011	US 50/El Dorado Road Interchange Improvements – Phase 1	\$6,623,000	\$6,938,000

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71345/36104004	US 50/Silva Valley Parkway Interchange – Phase 2 – On Ramps and Auxiliary Lane on US 50	\$9,882,000	\$10,366,000
72374/36105042	White Rock Road Widening (2 to 4 lanes) – Post St. to South of Silva Valley Parkway	\$10,886,000	\$11,419,000
Total		\$214,397,000	\$225,549,000

Notes:

¹ The TIF Program funds 11.47% 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 2020 Major Update to the TIF Program. This Update does not include changes to the number, location, or type of CIP projects in the TIF 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 TIF Zone boundaries.

RECOMMENDATION

Staff recommends adopting the Resolution for the 2023 TIF Schedule Annual Update.

CONTACT

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 Director, Department of Transportation