



**BUILDING INDUSTRY
ASSOCIATION**

August 22, 2006

The Honorable Jack Sweeney, Chair
El Dorado County Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Re: 2004 General Plan Transportation Impact Mitigation Fee Program

Dear Chairman Sweeney:

I am writing on behalf of the North State Building Industry Association (BIA), to express some remaining concerns we have regarding the County's Transportation Impact Mitigation (TIM) fee program. Although we have concerns, we appreciate the staff's willingness and commitment to work with the industry to address our concerns. We would also like to reaffirm our commitment to be a part of the solution contributing our fair share, while also providing a variety of housing options for the County's new and existing residents.

As we have expressed in previous correspondences, the areas in which we have greatest concern is in regards to the fee scenarios. We feel that a \$30,000 to \$40,000 per unit traffic fee would be an extreme burden on new homeowners, a burden that is further compounded by other County policies, greatly affecting our ability to provide a diversity of housing options. We would like to request further clarification of the cost index increase (CalTrans - 44%) as it relates to the traffic costs. Is the 44% increase based on the actual "cost of construction on the ground", for example the real cost accrued by the CIP?

Second, with respect to the distribution of the traffic impact contributions, (84% / 16% split) we would suggest that the fees be established at a level necessary to mitigate for impacts generated - if commercial or residential development creates an impact, either should pay their cost of their full impact. We would like to also highlight our support for the implementation of a 20-year horizon rather than a 10-year horizon. This would lower fees in the short term, while ensuring that road improvement projects could move forward.

While we appreciate that the final TIM fee program will address the need for road capacity projects, we want to make sure that the "existing deficiency" will

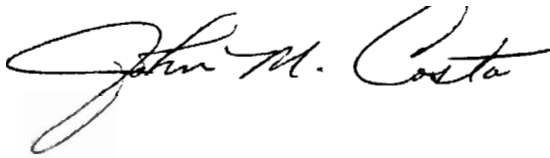
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not be shoulder solely by new homeowners and/or businesses in El Dorado County.

The BIA appreciates the time and effort the Board and the County staff has invested in this process to address the local traffic issues. We are encouraged by your desire to project roadway deficiencies over a 20-year period and the decision to revisit the 84% / 16% formula. However, we still believe it would be unfair to shift the difference of non-residential fees onto residential fees as it appears in the final study.

Sincerely,

A handwritten signature in black ink, reading "John M. Costa". The signature is fluid and cursive, with the first name "John" and last name "Costa" clearly legible.

John Costa
Senior Legislative Advocate

cc: Members of the EL Dorado County Board of Supervisors
Kirk Bone, Chair, El Dorado Area Council
Richard Sheppard, Director of Transportation

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