



**COMMUNITY DEVELOPMENT AGENCY
LONG RANGE PLANNING DIVISION**

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TO: Board of Supervisors

FROM: Claudia Wade, Senior Civil Engineer

Subject: Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Update Kick-Off

Purpose and Summary

The purpose of today's workshop is to kick off the CIP & TIM Fee Updates (Major Updates). Five key topics will be addressed:

- 1) Project purpose and goals
- 2) Baseline assumptions
- 3) Fee benefit zone geography
- 4) Approach to Public outreach
- 5) Project schedule

Staff is recommending that the Board:

- 1) Confirm the project purpose and goals
- 2) Confirm the baseline assumptions
- 3) Confirm the four (4) TIM Fee Zone Geography options presented are appropriate for further analysis (Attachment 7B)
- 4) Confirm the approach to public outreach
- 5) Confirm the project schedule (Attachment 7C)

Background

A CIP is a planning document that identifies capital improvement projects (e.g. roads and bridges) a local government or public agency intends to build over a certain time horizon (usually between 5-20 years). CIPs typically provide key information for each project, including delivery schedule, cost and revenue sources. The County's CIP provides a means for the Board to determine capital improvement project and funding priorities over a 20-year horizon.

An impact or mitigation 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 fee programs to ensure that new development on the western slope pays to fund its fair share of the costs of improving county and state roads necessary to serve that new development.

In order to maintain the integrity of its roadway network, the County is required to develop and maintain a 10- and 20-Year CIP as well as a 20-Year TIM Fee Program pursuant to General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B. The TIM fee must also comply with the state's Mitigation Fee Act (Assembly Bill 1600).

The General Plan requires the CIP and TIM Fee Program to be updated every five years to revise the 20-Year growth forecast and comprehensively re-evaluate the programs. This is often referred to as the "Major" update.

Per AB1600 (Section 66001(d)(1)), impact fee programs are required to undergo a comprehensive review periodically to ensure the nexus analysis and fee schedule reflect current assumptions for growth projections, transportation system impacts, project costs, and anticipated funding sources.

On September 30, 2014, the Board approved and authorized the Chair to sign Agreement for Services No. 214-S1511 with Kittelson and Associates, Inc. (KAI) to begin the Major Updates as required by General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B. The Board also directed staff to return with a detailed plan for public outreach.

On December 16, 2014, the Board approved the First Amendment to Agreement for Services No. 214-S1511 which identified Scenario 4 of the outreach options presented as the preferred public outreach scenario for the Major Updates.

KAI and its consultant team are very accomplished in their respective fields; they have considerable experience in the update of CIP and mitigation fee programs across the state, as well as a particularly strong knowledge, experience and historic perspective on the County's programs. The roles and expertise of the consultant team are as follows:

- KAI – Travel demand modeling, traffic operations and traffic engineering design
- Quincy Engineering – Transportation improvement cost estimates
- Rincon Consultants – Environmental review and analysis
- Urban Economics – Land use forecast update, preparation of the Nexus analysis, and computing the fee schedule for each subarea of the County
- Flint Strategies – Outreach efforts

Discussion

As mentioned above, staff is recommending that the Board:

- 1) Confirm the project purpose and goals
- 2) Confirm the baseline assumptions
- 3) Confirm the four (4) TIM Fee Zone Geography options presented are appropriate for further analysis (Attachment 7B)
- 4) Confirm the approach to public outreach
- 5) Confirm the project schedule (Attachment 7C)

A detailed description of each of these topics is provided below.

Project Purpose & Goals

Project Purpose

In order to maintain the required level of service (LOS) of its roadway network, the County is required to develop and maintain a 10- and 20-Year CIP as well as a 20-Year TIM Fee Program pursuant to General Plan Policy TC-Xb and Implementation Measures TC-A and TC-B. The TIM fee must also comply with the state's Mitigation Fee Act (see Attachment 7D for further details).

The General Plan requires the CIP and TIM Fee Program to be updated every five (5) years to revise the 20-Year growth forecast and comprehensively re-evaluate the programs (see Attachment 7D for a detailed discussion of the background for the CIP and TIM Fee Program). It is essential that the CIP supports the goals and policies of the General Plan. As required in Policy TC-Xb, the CIP must plan for the appropriate infrastructure to maintain required LOS standards. The CIP must meet General Plan parameters such as those imposed by Measure Y as discussed in detail in Attachment 7E. The TIM Fee Program must support the CIP, and must ensure that future development pays for its fair share to mitigate its impacts.

The implementation of the 2004 General Plan TIM Fee Program resulted in a significant increase in TIM Fees. Attachment 7F provides a comparison of other neighboring TIM Fee Programs. As a result of the comparatively high TIM Fees in El Dorado County, the Board has expressed the desire to lower the TIM Fees.

Draft Project Goals

Establishing the Board's overall project goals and expectations is an essential first step that will set the foundation for the Major Updates. This foundation will focus staff and consultant efforts and resources for an effective process. Based on General Plan requirements and previous Board direction, staff's recommended goals are as follows:

- 1) Develop a legally-defensible CIP that is consistent with the General Plan and supports its implementation.
- 2) Develop a legally-defensible TIM Fee Program that supports CIP implementation and is consistent with the Mitigation Fee Act (AB 1600).
- 3) Reduce the TIM Fees to the extent possible while still achieving the goals above.
- 4) Adopt new CIP and TIM Fee Program by first quarter 2016.

Staff recommends the Board confirm that these goals appropriately capture the Board's goals for the Major Updates. Alternatively, if these goals do not appropriately capture the Board's expectations, staff recommends the Board amend the project goals prior to confirming.

Baseline Assumptions

Identifying and adhering to key baseline assumptions is essential to delivering the Major Updates on time and within the approved budget. Staff has identified a recommended set of baseline assumptions from which to build the CIP and TIM Fee Update; staff recommends the Board confirm that these baseline assumptions are appropriate. Once the Major Updates begin, changes to these assumptions will likely alter the scope of work and timeline, potentially requiring

additional work and/or revisions to work already completed, associated contract amendments, and project delays. Baseline assumptions identified and recommended by staff are:

- 1) Use adopted General Plan Land Use and Zoning Ordinance.*
- 2) Use a 1.03% annual growth rate, with 75% of growth occurring within Community Regions and 25% occurring outside of Community Regions, per Board direction on April 8, 2014.
- 3) Adhere to existing General Plan policies
- 4) Adhere to existing Community Region and Rural Center boundaries (except for Camino-Pollock Pines which is assumed to be outside of the Community Region).
- 5) Assume future funding streams and sources to be similar to existing (i.e., no assumption of a completely new funding stream like a future sales tax).
- 6) Prepare a Negative Declaration if analysis is required pursuant to the California Environment Quality Act (CEQA) (which may be necessary if new projects are to be added to the CIP that were not analyzed as part of the 2004 General Plan EIR or the TIM Fee Program Supplemental EIR completed in 2006).

* For the first few months of the Major Updates process, analysis conducted will consider two potential scenarios: 1) the existing General Plan Land Use and Zoning Ordinance, and; 2) the existing General Plan land use and Zoning Ordinance with revisions as contemplated as part of the Targeted General Plan Amendment and Zoning Ordinance Update (TGPA-ZOU). Once the Board reaches a decision on the TGPA-ZOU, the resultant General Plan and Zoning Ordinance will form the basis for the Major Updates from that point forward. Approval or denial of the TGPA-ZOU will not impact the project schedule.

TIM Fee Zone Geography Options

Currently there are eight TIM Fee Zones. In the creation of the 2004 General Plan TIM Fee Program (specifically, the 2006 TIM Fee program which resulted in the 20-Year program we know today) several variations of the zones were evaluated. Consultant proposals originally considered included a single zone for the entire West Slope or multiple zones with various boundaries. An eight-zone structure was ultimately selected as appropriate to recognize the different land use characteristics of various areas of the County, while keeping the number of zones manageable for ease of fee calculations, updates and implementation. The boundaries of these zones were based on a combination of the market areas included in the General Plan environmental analysis, historic community boundaries, traffic flow sheds, rural versus urban development patterns, etc.

Zone 8 (El Dorado Hills) was considered separately, primarily due to pre-existing agreements and development of this area under a previously created fee program referred to as the El Dorado Hills/Salmon Falls Area Road Improvement Fee Program.

During the Major Updates, staff and the consultant team intend to review the TIM Fee zones and revisit how many zones should exist, its criteria, and review of other conditions. This analysis will determine if changing the TIM Fee Zone Geography structure could improve its implementation and help lower fees. Attachment 7B provides for four (4) different options of

TIM Fee Zone Geography that staff and the consultant team have identified for further analysis, including:

- *Option 1: Existing eight (8) zone structure*
The existing boundaries have been modified as little as possible while not splitting the El Dorado County Travel Demand Model's (TDM) transportation analysis zones (TAZ). This boundary structure is the "status quo" option.
- *Option 2: Planning Areas "smoothed" to conform to TDM TAZ boundaries (eight zone structure)*
This option slightly modified Option 1 to smooth out the transition between fee zones, minimizing intrusions and extrusions into adjacent zones caused by the differences in TAZ geometry and prior fee benefit zone areas.
- *Option 3: Population Equivalency – Community Centered (five [5] zones) – i.e., fee zone boundaries adjusted based on achieving proportionate population in each zone while reducing the number of zones from eight (8) to five (5)*
This option seeks to balance fee zones by population totals. The zones are centered on existing communities and expand to include enough area to allow each zone to contain a similar number of residents. This prevents communities from being split into different zones.
- *Option 4: Zones Grouped by Fee Level (four [4] zones) – i.e. zones with similar fees aggregated to reduce the number of zones from eight (8) to four (4)*
This option aggregates existing impact fee zones to create fewer planning areas. The zones were aggregated based on existing fee levels to avoid significantly changing fee expectations in any one area. Two exceptions were made, resulting in the splitting of two (2) zones that had "transitional" fee levels between higher cost and lower cost development fee areas.

Staff is requesting that the Board confirm that these four (4) TIM Fee Zone Geography options are appropriate for further analysis. Once the Board agrees upon four (4) potential geographies, the consultant team will commence with the fee update analysis and will return to the Board to finalize the options in April.

Public Outreach

The public outreach effort consists of multiple channels of engagement to ensure maximum participation by residents, business owners, developers and other focus groups. This includes the development and maintenance of a project specific website, proactive social media, a series of topic specific focus groups/roundtable discussions, public workshops, and Board meetings. The outreach will be targeted and tiered for maximum effectiveness.

Overall Approach to Outreach

The comprehensive public engagement program is designed to engage multiple population segments via a diverse set of outreach channels. The idea is to provide a mechanism that best suits each unique group of people. The tools that will be used concurrently for each phase of the project include:

- Focus groups to explore topic or interest specific issues that relate to the development of the TIM fees and CIP. These are an essential component of our program and will help staff and the consultant team identify key issues and concerns early in the process to help them be prepared to better address those concerns moving forward.
- Web based communication to maximize participation by individuals and groups who prefer electronic communications tools and are users of computers or mobile devices. This will include regular eNewsletters, social media and web-based interactive workshops throughout the process.
- Development of web-based tools that allow the public to provide specific input on perceived congestion and safety issue locations from home. This input will be compared with the consultants' technical analysis of roadway deficiencies and CIP locations.
- Media relations to reach broad Countywide audiences who follow government affairs by print or online news.
- Traditional workshops in multiple locations to ensure geographically diverse participation.
- Multiple presentations and study sessions with the Board to ensure staff and the consultant team are moving forward with Board support and direction.
- Complete documentation of each phase of the outreach effort to provide the Board and the public with a record of all input received.

Attachment 7G provides an illustration of the public engagement program and how they interrelate. The outreach program is organized in three phases:

- Education: To provide an opportunity for the public to gain a clear understanding of the purpose of the effort and an opportunity for them to share concerns and/or ideas about future needs, deficiencies and growth.
- Interaction: To provide an opportunity for the public to review what was learned in the outreach effort, and validate or question the appropriateness of the direction given.
- Review: To provide an opportunity to review the proposed fee structure and CIP that will be presented to the Board for adoption and comment.

Focus Groups/Roundtable Discussions

Staff and the consultant team will plan a series of two (2) focus groups/roundtable discussions to vet key issues and concerns that relate to the development of the fees with each of four (4) groups (for a total of eight [8] meetings). These groups are tentatively envisioned as follows:

- Local Businesses/Economic Development Interests (chambers of commerce, tourism and film authorities, agriculture, recreation, and eco- and agri-tourism industry)
- Building Industry/Developers/Real Estate Interests
- Residential and Community Interests (homeowner associations, community alliances/associations, etc.)
- Local Agencies/Public Safety
 - Water – Water Agency, El Dorado Irrigation District
 - Fire – Fire Protection Districts
 - Sheriff/Police – County Sheriff, Placerville Police
 - Cities – Placerville and South Lake Tahoe

- Transportation – Caltrans, El Dorado County Transportation Commission (EDCTC), Transit
- Neighboring jurisdictions – Folsom, Sacramento County, etc.

In the past, other groups have participated in TIM Fee and CIP updates, including:

- Community and Economic Development Advisory Committee (CEDAC)
- Engineering Subcommittee of CEDAC
- CIP Cost Estimate Review Committee
- TIM Fee Working Group

Staff and the consultant team will be reaching out to these groups/individuals to solicit their active participation in one or more of the focus groups/roundtable discussions. Staff requests the Board's input regarding other groups/individuals not listed above that should also be invited to participate in these focus groups/roundtable discussions.

The focus groups/round table discussions will occur in advance of the larger public workshops to ensure that staff and the consultant team are able to identify issues/concerns of the various constituencies and be prepared to address them at the workshops.

- *First Round:* The first round will be educational: establishing the purpose of the Major Updates, the process for developing the fees, and promoting opportunities for public engagement. This will also provide an opportunity to identify key issues and concerns that need to be addressed as part of the Major Updates. This will include summarizing the desired goals and outcomes of the project and identifying the nature and location of roadway deficiencies.
- *Second Round:* Staff will present the input received in the first phase of our outreach effort at the second round of focus groups/roundtable discussions. This will include sharing the consultant team's preliminary findings, including the draft CIP list and preliminary fee schedule. The outreach effort will detail the methodology for the CIP and fee schedule and provide multiple opportunities for comments and questions. Staff will provide a detailed overview of the process for developing the final CIP and fee schedule products.

Public Workshops

Three (3) rounds of public workshops will provide an opportunity for residents and all interested parties to share concerns and pose questions relative to the Major Updates. The workshops will be held in two separate locations in the County, for a total of six (6) workshops. The workshops will generally consist of:

- Presentation, including overview of the purpose, structure, and parameters of the Major Updates
- Facilitated discussion/Q&A regarding the process and concerns
- Review of comments received
- Overview of next steps and further opportunities for public input

Upon completion of the public workshops, these ideas will be brought forth to the Board for future discussions.

Schedule

A schedule has been provided outlining the tasks required to complete the Major Updates (Attachment 7C). It is important to note that the schedule assumes that the baseline assumptions discussed above remain constant throughout the process. Once the Major Updates begin, changes to these assumptions will likely alter the scope of work and timeline, potentially requiring additional work and/or revisions to work already completed, associated contract amendments, and project delays.

A summary of the Board, Planning Commission, EDCTC, Public Workshops and focus group/roundtable discussions are detailed on the schedule and summarized below. The consultant team is also budgeted to participate in two (2) additional Board meetings, if deemed necessary. If the Board determines that additional Board meetings are needed, each additional meeting will add approximately 1-1.5 months to the project schedule.

Board of Supervisors Meetings

- Board Meeting #1: February 10, 2015
Discussion:
 - 1) Project purpose and goals
 - 2) Baseline assumptions
 - 3) Fee benefit zone geography
 - 4) Approach to Public outreach
 - 5) Project schedule

Recommended Board Action:

 - 1) Confirm the project purpose and goals
 - 2) Confirm the baseline assumptions
 - 3) Confirm the four (4) TIM Fee Zone Geography options presented are appropriate for further analysis
 - 4) Confirm the approach to public outreach
 - 5) Confirm the project schedule

- Board Meeting #2: April 2015
Discussion/Action: Staff to provide summary of initial public outreach and focus group input; Board to provide final confirmation of the Fee Benefit Zone geography; Board to confirm the Land Use Categories; discuss Deficiency Analysis results; discuss alternative funding.

- Board Meeting #3: July 2015
Discussion/Action: Board to confirm Draft CIP project list and costs
Options: Discussion of Options to reduce overall CIP costs
Next Steps: Team to finalize CIP based on Board input

- Board Meeting #4: September 2015
Discussion/Action: Board to provide direction on Preliminary TIM Fee Structure
Next Steps: Revise Preliminary TIM Fee Structure if needed
- Board Meeting #5: November 2015
Discussion/Action: Board to provide input on status update of revisions to TIM Fee Structure based on August Board hearing
Next Steps: Finalize TIM Fee Structure
- Board Meeting #6: January 2016
Discussion/Action: Board to approve Final CIP and TIM Fee Update
Next Steps: Update websites and appropriate administrative documents to implement updated TIM Fee Program

Planning Commission – December 2015/January 2016

- Discussion: Present Draft CIP and TIM Fee Program
Action: Informational meeting only; provide Planning Commission input to Board

El Dorado County Transportation Commission - December 2015

- Discussion: Present Draft CIP and TIM Fee Program
Action: Informational meeting only; provide EDCTC input to Board

Focus Groups/Roundtable Discussions and Public Workshops

- Workshop #1: March 2015 (dates to be announced at a later time)
Topic: Input on TIM Fee and CIP Update Process; identify key issues and concerns that need to be addressed as part of the Major Updates; identify desired goals and outcomes.
- Workshop #2: August 2015 (dates to be announced at a later time)
Topic: Draft TIM Fees
- Workshop #3: November/December 2015 (dates to be announced at a later time)
Topic: Draft Final Fee Structure

Recommendation

The Major Updates are required by the County's General Plan. The detailed timeline and work plan, included in Attachment 7A, includes important decision points for the Board. In order to ensure that staff has clear direction as to the Board's goals for the Major Updates and that the project is delivered on time and within budget, staff recommends the Board:

- 1) Confirm the project purpose and goals
- 2) Confirm the baseline assumptions
- 3) Confirm the four (4) TIM Fee Zone Geography options presented are appropriate for further analysis
- 4) Confirm the approach to public outreach

- 5) Confirm the project schedule

Next Steps

Staff and consultant team will prepare for the March public workshops and April Board workshop.

Contact

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