



**COMMUNITY DEVELOPMENT AGENCY  
LONG RANGE PLANNING DIVISION**

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December 6, 2016

**TO:** Board of Supervisors

**FROM:** Claudia Wade, Senior Civil Engineer

**Subject:** Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Update – Adoption of CIP and TIM Fee Program

**PURPOSE AND SUMMARY**

The County is updating its Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Program as required by the General Plan and state law. The purpose of today's hearing is for the Board of Supervisors (Board) to adopt all necessary documents required for the adoption of the updated 2016 CIP and TIM Fee Program in addition to approval of a two new Ordinances (TIM Fee Ordinance and Frontage Improvements Ordinance) to the County Code, and for certification of an Environmental Impact Report (EIR).

Consistent with the October 27, 2016 Planning Commission recommendation, staff is recommending the Board adopt the following:

Environmental Certification/Adoption

- 1) Adopt Resolution 189-2016 certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County (Attachment 22B), subject to the California Environmental Quality Act (CEQA) Findings (Attachment 21D) and Statement of Overriding Considerations (Attachment 21E).
- 2) Adopt the Mitigation Monitoring and Reporting Plan (MMRP) (Attachment 21G), in compliance with CEQA Guidelines Section 15097(a).

General Plan Amendments

- 3) Adopt Resolution 190-2016 amending the General Plan Transportation and Circulation Element (Attachment 22C).

Staff is recommending the Board also take the following actions:

2016 CIP Book

- 4) Approve the 2016 CIP Book as presented in Attachment 22D, consistent with the Board's tentative approval provided on September 20, 2016.

TIM Fee Program

- 5) Adopt Resolution 191-2016 which includes the updated TIM Fee Nexus Study as presented in Attachment 22F, consistent with the tentative approval provided on September 20, 2016.
- 6) Authorize the Auditor-Controller to create new TIM Fee accounts as shown in the TIM Fee Program section of this staff report.
- 7) Approve and authorize the Chair to sign a budget transfer (Attachment 22G) which reduces the budget in the current TIM Fee accounts and reestablishes that budget in a corresponding TIM Fee account for the same purpose, and authorize the transfer of all equity from the existing accounts to the newly created accounts.

Amendment to County of El Dorado Ordinance Code

- 8) Approve the Introduction (First Reading) of Ordinance 5044 adding a new Chapter establishing regulations for Frontage Improvements on County Roadways, Chapter 12.09 of the Ordinance Code for El Dorado County, California (Attachment 22H).
- 9) Approve the Introduction (First Reading) of Ordinance 5045 amending Chapter 12.28 of the Ordinance Code for El Dorado County, California that provides for a General Plan Traffic Impact Mitigation Fee Program, consistent with California Government Code Section 66000 (Attachment 22I).
- 10) Waive full reading, read by title only and continue the adoption of said Ordinances to December 13, 2016 for Final Passage (Second Reading).

Receive and file the following:

- 11) Draft Traffic Impact Mitigation Fee Administrative Manual and Resolution (Attachment 22J), and provide comments towards finalizing the documents.
- 12) Final Outreach Summary Report (Attachment 22K).
- 13) Responses to public comments.

**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.

In order to maintain the integrity of its roadway network, the County is required to develop and maintain a 10- and 20-Year CIP pursuant to General Plan Policy TC-Xb and Implementation Measure TC-A.

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, impact on roads, and level of service (LOS).

The CIP is the planning, prioritization, and scheduling mechanism, while the TIM Fee Program is one of the funding mechanisms for financing CIP projects within the County. The County's CIP includes TIM Fee and non-TIM Fee funded projects.

TIM Fee funded projects are CIP projects that are needed to accommodate new development projected over the next 20 years, which may include road widenings, interchange improvements, etc. Since these new projects are needed to accommodate new development, there is a nexus, pursuant to the Mitigation Fee Act, to charge new development a fee to pay for these new projects.

Other (non-TIM Fee funded) CIP projects are also included in the CIP and funded with a variety of other sources. Since these projects are not needed to accommodate new development, they do not meet the nexus requirements per the Mitigation Fee Act and are not eligible for TIM Fee funding. Non-TIM Fee funded CIP projects include bike/pedestrian facilities, bridge replacement projects, and projects that address a safety concern or existing deficiency.

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."

The Major CIP and TIM Fee Update has consumed significant resources to date. The approximate total cost to complete the project beginning in October of 2011 is conservatively \$2,246,000. Of this amount, approximately \$1,118,000 was been spent on Professional Services, and \$1,128,000 on County staff charges. Staff costs include Community Development Agency staff (primarily Long Range Planning and Transportation), as well as staff from County Counsel, and the Chief Administrative Office. The total cost for staff time does not include upper management and the majority of administrative functions.

Professional Services agreements include:

- 1) **Kimley Horn and Associates, Inc.:** An update to the Travel Demand Model (TDM) was required to complete the Major CIP/TIM Fee Update. Three agreements with Kimley Horn and Associates, Inc. to complete the El Dorado County traffic model needs assessment and update of the County's TDM were used for this project, in the approximate amount of \$514,000.
- 2) **Kittelson and Associates, Inc.:** Kittelson and Associates, Inc. were tasked to complete the Major CIP/TIM Fee Update. Approximately \$604,000 was used to date in this effort.

As part of the Major Update effort, on April 8, 2014, the Board directed staff to use a 20-Year growth forecast which assumes a 1.03% annual growth rate, with 75% of residential growth occurring within Community Regions and 25% occurring outside of Community Regions. This growth forecast and distribution is consistent with the County's historical growth rate and with the General Plan's goals and policies. The County's TDM was used to determine what roadway

projects would be required to accommodate the projected growth through 2035 while maintaining the roadway capacity in accordance with General Plan LOS thresholds (General Plan Policy TC-Xd). The TDM was also used to determine when these projects would need to be built.

On September 30, 2014, the Board approved and authorized the Chair to sign Agreement for Services No. 214-S1511 with Kittelson and Associates, Inc. to begin the Major Update as required by General Plan Policy TC-Xb and Implementation Measure TC-A. As part of the Major CIP and TIM Fee Update process, an extensive outreach program was authorized by the Board on December 16, 2014. Attachment 22K includes the final outreach summary.

Kittelson and Associates, Inc. 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

After the Board adopted the Targeted General Plan Amendment and Zoning Ordinance Update on December 15, 2015, the TDM's future year (2035) land use was amended to incorporate the adopted General Plan land use and the traffic analysis for the Major CIP and TIM Fee Update was re-evaluated to determine what roadway projects would be required through 2035.

On February 23, 2016, the Board approved apportioning 45% of forecasted future grant funding toward non-TIM Fee CIP projects.

On April 19, 2016, the Board tentatively approved the following:

- TIM Fee project list to be included in the CIP (Attachment 16B).
- TIM Fee Program Nexus Report (Attachment 16C).
- CIP project list (non-TIM Fee funded, Attachment 16D).
- Unfunded CIP Project list (Attachment 16E).

On May 19, 2016, a Notice of Availability of a Draft Environmental Impact Report (EIR) for the Major CIP and TIM Fee Program Update was released. The public comment period for the Draft EIR began on May 19, 2016 and ended on July 5, 2016. Four comment letters were received and can be found on the project website at the following website address:

<http://www.edcwesternslopeupdate.com/document-library.html>

On June 7, 2016, El Dorado County voters approved Measure E. Measure E rescinded the 2008 amendments to Measure Y and made further amendments to the General Plan's policies regarding traffic impact mitigation by new development. It amended Policy TC-Xa to require

that road capacity improvements needed to prevent new development's cumulative traffic impacts from reaching LOS F be completed "before any form of discretionary approval can be given to a project." It also amended Policy TC-Xf, which provided two methods for the County to mitigate traffic impacts: (1) condition the project to construct necessary road improvements or (2) ensure that the necessary road improvements are scheduled for construction within the County's CIP, which is primarily funded by impact fees collected with each building permit. Measure E eliminated the second option.

Measure E requires that mitigation fees and assessments be applied to the geographic zone from which they originated and that they may be applied to existing roads for maintenance and improvement projects. Measure E also added a policy requiring voter approval before creating an Infrastructure Financing District, a requirement already imposed by state law. In addition, Measure E requires that the County make findings of compliance before approving certain development projects. Finally, a number of statements were included in Measure E under the heading "Implementation."

Policies adopted or amended by Measure E will remain in effect indefinitely unless amended or repealed by voter approval.

On August 9, 2016 the Board held a workshop on interpreting and implementing Measure E. On August 30, 2016 an item was taken to the Board to adopt interim interpretive guidelines to implement Measure E; however the item was continued off calendar. Measure E does not change LOS standards as stated in General Plan Policy TC-Xd, the land use map diagram, or projected growth patterns (with any degree of certainty). Therefore, forecasted impacts to the County's road network have not changed, and the proposed CIP project list remains unchanged.

On September 20, 2016, the Board made the following actions:

- Provided tentative approval of the 2016 CIP as presented in Attachments 19B-19L.
- Provided tentative approval of the updated draft TIM Fee Nexus Study (Scenario 2) as presented in Attachment 19M.
- Provided authorization, as required by Board Policy A-3, for the preparation of amendments to the appropriate County of El Dorado Ordinance Code Chapters and include the Frontage Improvements Ordinance and the TIM Fee Ordinance.

On October 27, 2016, the Planning Commission approved the Finding of Consistency of the Major CIP Update with the General Plan (Attachment 21B). The Planning Commission also recommended that the Board take the following actions:

- Adopt the Resolution certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County, subject to the CEQA Findings (Attachment 21D) and Statement of Overriding Considerations
- Adopt the Resolution amending the General Plan Transportation and Circulation Element.
- Adopt the MMRP, in compliance with CEQA Guidelines Section 15097(a).

## **DISCUSSION**

### **Environmental Certification**

#### ***Programmatic EIR***

Based on the traffic analysis and the need for General Plan Amendments, it was determined that a Programmatic EIR is the most appropriate document to prepare pursuant to the California Environmental Quality Act (CEQA) for the Major CIP and TIM Fee Program Update. The Board directed staff to proceed with the Programmatic EIR on December 15, 2015. A Programmatic EIR differs from the typical “project EIR” that is prepared for a site-specific project such as a highway interchange. The degree of specificity in the Western Slope Roadway CIP and TIM Fee Program Update EIR corresponds to the degree of specificity contained in the proposed Major CIP and TIM Fee Program Update, consistent with CEQA Guidelines Section 15146.

Because the Western Slope Roadway CIP and TIM Fee Program Update does not include design level documents for the transportation projects, it does not have the degree of specificity that would be expected of the EIR prepared for a transportation project. This approach corresponds with CEQA Guidelines Section 15146(b), which states:

*An EIR on a project such as the adoption or amendment of a comprehensive zoning ordinance or a local general plan should focus on the secondary effects that can be expected to follow from the adoption or amendment, but the EIR need not be as detailed as an EIR on the specific construction projects that might follow.*

The Western Slope Roadway CIP and TIM Fee Program Update is not required to, nor does it speculate about, the specific development that might someday be proposed which would impact the transportation network. CEQA does not require lead agencies “to engage in speculation in order to analyze a ‘worst case scenario’” (*Napa Citizens for Honest Government v. Napa County Bd. of Supervisors* (2001) 91 Cal.App.4th 342, 373). CEQA Guidelines Section 15151 describes the standard for adequacy of an EIR as follows:

*An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.*

CEQA will apply to future transportation-specific projects, even after the Final Western Slope Roadway CIP and TIM Fee Program Update EIR is certified. The CEQA analyses prepared for those proposed projects will provide decision-makers and the public with information on the potential project-specific impacts, as well as mitigation measures. The holding in *Town of*

*Atherton v. California High-Speed Rail Authority* (2014) \_\_ Cal.App.4th \_\_ explains the expected level of detail in a program EIR in relation to that expected in a project-level CEQA document.

*... Requiring a first-tier program EIR to provide greater detail as revealed by project-level analyses, “undermine[s] the purpose of tiering and burden[s] the program EIR with detail that would be more feasibly given and more useful at the second tier stage.” (Bay-Delta, supra, 43 Cal.4th at p. 1173.) While significant new information must be included in an EIR, requiring a program EIR to include everything discovered in project-level analyses before the program EIR is certified would result in “endless rounds of revision and recirculation” of EIRs that the Legislature did not intend. (Laurel Heights Improvement Assn. v. Regents of University of California (1993) 6 Cal.4th 1112, 1132.)*

The Programmatic EIR (Attachment 22B) discusses the impacts of the proposed Major CIP and TIM Fee Program Update, as well as the proposed General Plan Amendments.

The following steps have been taken as part of the CEQA process:

- The Environmental Constraints Analysis was prepared by Rincon Consultants.
- The Notice of Preparation (NOP) for the Programmatic EIR was filed with the State Clearinghouse on February 5, 2016.
- The public scoping meeting was held on March 3, 2016.
- The 30-day comment period for the NOP closed on March 7, 2016.
- The Draft Programmatic EIR and Notice of Availability were released for a 45-day public review on May 19, 2016.
- The Review Period for the Draft EIR ended on Tuesday, July 5, 2016 at 5:00 p.m.

Comments received on the Draft Programmatic EIR can be found in the Final EIR (Attachment 22B). Staff and their consultants have prepared responses to each comment, pursuant to CEQA requirements and prepared a Final EIR (Attachment 22B) for the Board’s certification.

On October 27, 2016, the Planning Commission recommended that the Board adopt Resolution 189-2016 certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County (Attachment 22B), subject to CEQA Findings (Attachment 21D) and Statement of Overriding Considerations (Attachment 21E).

Options:

- 1) *Adopt Resolution 189-2016 certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County (Attachment 22B), subject to CEQA Findings (Attachment 21D) and Statement of Overriding Considerations (Attachment 21E).*
- 2) *Provide staff direction to amend the EIR, CEQA Findings, and/or Statement of Overriding Considerations.*

*Staff Recommendation: Option 1: Adopt Resolution 189-2016 certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County (Attachment 22B), subject to CEQA Findings (Attachment 21D) and Statement of Overriding Considerations (Attachment 21E).*

### **MMRP**

As discussed, a programmatic EIR was required as a result of the necessary proposed General Plan Amendments. As part of certification of the EIR, an MMRP is also required. CEQA requires the public agency approving a project for which an EIR was certified to adopt a reporting or monitoring program for the measures adopted in order to mitigate or avoid the project's significant effects on the environment. (Public Resources Code Section 21081.6). Attachment 21G includes the proposed MMRP for adoption by the Board.

On October 27, 2016, the Planning Commission recommended the Board adopt the MMRP in compliance with CEQA Guidelines Section 15097 (a) (Attachment 21G).

### Options:

- 1) *Adopt the MMRP in compliance with CEQA Guidelines Section 15097(a) (Attachment 21G).*
- 2) *Provide staff direction to amend the MMRP .*

*Staff Recommendation: Option 1: Adopt the MMRP in compliance with CEQA Guidelines Section 15097(a) (Attachment 21G).*

### **General Plan Amendments**

As discussed at the April 19, 2016 Board hearing, the Major CIP and TIM Fee Program Update has necessitated changes to the Transportation and Circulation Element (Element) of the General Plan. These changes are proposed in order to ensure the CIP and TIM Fee Programs are consistent with the General Plan. These proposed changes also include clean-up items, clarifications, and corrections to the Element and Figure TC-1. The proposed revisions to the Element are detailed in Attachment 21F.

On October 27, 2016, the Planning Commission recommended that the Board approve the proposed General Plan Amendments.

### Options:

- 1) *Adopt Resolution 190-2016 amending the General Plan Transportation and Circulation Element (Attachment 22C).*
- 2) *Provide staff direction to change the proposed amendments to the General Plan Transportation and Circulation Element.*

*Staff Recommendation: Option 1: Adopt Resolution 190-2016 amending the General Plan Transportation and Circulation Element (Attachment 22C).*



### **2016 CIP Book**

Staff is recommending that the Board approve components of the 2016 CIP Book as presented in Attachment 22D. Minor changes to cost and schedule, as presented to the Board in September 2016, have been made in the 2016 CIP Book and are detailed in Attachment 22E.

The 2016 CIP Book includes the following five programs:

- West Slope Road/Bridge CIP;
- Tahoe Environmental Improvement Program (EIP);
- Airport Capital Improvement Program (ACIP);
- Transportation Facilities Improvement Program (TFIP); and
- Capital Overlay and Rehabilitation Program (CORP).

These programs are separated into the following sections:

#### West Slope Road and Bridge Program

- Current Year work plan;
- 5-Year CIP;
- 10-Year CIP; and
- 20-Year CIP.

#### ACIP

- Current Year work plan;
- 5-Year CIP; and
- 10-Year CIP.

#### Tahoe EIP and CORP

- Current Year work plan; and
- 5-Year EIP/CIP.

The TFIP currently only consists of one project, which is in the current year work plan.

Projects that span several years may be listed in more than one funding segment of the CIP, depending on when funds are spent. For example, a project may be included in the 5-Year CIP for planning and the 10-Year CIP for construction. Projects are included in a funding segment if any funds are estimated to be spent during any of the segment's fiscal years.

#### Options:

- 1) *Approve the 2016 CIP Book as presented in Attachment 22D.*
- 2) *Provide direction to staff on changes to the 2016 CIP Book.*

Staff Recommendation: *Option 1: Approve the 2016 CIP Book as presented in Attachment 22D.*

### **TIM Fee Program**

#### ***TIM Fee Nexus Study***

On September 22, 2016, the Board provided tentative approval for Scenario 2 of the TIM Fee Nexus Study. No changes have been made to the TIM Fee Nexus Study. Attachment 22F

includes the complete nexus study information, which includes the Resolution required to implement the proposed TIM Fee program fee schedule, maps, and other background information.

Options:

- 1) *Adopt Resolution 191-2016 which provides the details for the updated TIM Fee Nexus Study as presented in Attachment 22F consistent with the Board tentative approval provided on September 20, 2016.*
- 2) *Provide direction to staff to revise the TIM Fee Nexus Study.*
- 3) *Provide direction to staff to revise Resolution 191-2016.*

Staff Recommendation: *Option 1: Adopt Resolution 191-2016 which provides the details for the updated TIM Fee Nexus Study as presented in Attachment 22F consistent with the Board tentative approval provided on September 20, 2016.*

**TIM Fee Accounts**

Pursuant to Section 66006 of the Mitigation Fee Act, the County is required to annually make available to the public specific information related to the prior year's activity for the County's Impact Fee Programs. There are currently 6 existing TIM Fee accounts:

TIM – 2004 EDH TIM (7730503)  
TIM – 2004 Silva Valley Interchange (7730504)  
TIM – 2004 TIM (7730505)  
TIM – 2004 HWY 50 TIM (7730701)  
TIM – Traffic Impact Mitigation Fees (7730500)  
TIM – Interim HWY 50 TIM Fees (7730700)

The local component of fees collected from Zones 1-7 are pooled into an account (TIM – 2004 TIM [7730505]) for use on future projects located within these zones.

The local component of fees collected from Zone 8 are held in a separate account (TIM – 2004 EDH TIM [7730503]) due to pre-existing agreements and due to development in this area under the previously created El Dorado Hills/Salmon Falls Area Road Improvement Fee (RIF) program. Currently, local funds collected from Zone 8 are used on projects within the boundaries of Zone 8, and conversely, local funds from Zones 1-7 are used within the boundaries of Zones 1-7. See Attachment 22F, Exhibit C, for a TIM Fee Zone map.

Thirty percent of all TIM fees collected in Zone 8 are set aside in a separate account (TIM – 2004 Silva Valley Interchange [7730504]) to fund the Silva Valley Parkway Interchange.

Highway 50 fees collected from all the Zones are pooled into a separate account (TIM – 2004 HWY 50 TIM [7730701]) and used on projects along Highway 50. To provide equity to the fee program, the different Zones' Highway 50 component of the fee was based on the usage attributable to development in that given Zone.

The TIM – Traffic Impact Mitigation Fees (fund 7730500) and TIM – Interim HWY 50 TIM Fees (fund 7730700) are currently active accounts that were established prior to 2004. As part of the TIM Fee rate changes in 2006, balances remaining at the time from the prior fee program (7730500 and 7730700) were adjusted to reflect existing encumbrances against the accounts, including existing reimbursement agreements. The available balances were then allocated, or credited, to the costs of those projects that were in the earlier fee programs and that remained in the TIM Fee program adopted in 2006. Funds are no longer deposited into these accounts; however, distributions are made to reimburse for eligible project costs.

Upon adoption of the new TIM Fees, new TIM Fee accounts must be created. In order to simplify the accounting for TIM Fee funds, staff recommends the Board authorize the Auditor-Controller to create new TIM Fee accounts as follows:

TIM – Zone 8 El Dorado Hills (new account #7730510): transfer funds from TIM – 2004 EDH TIM (7730503)

TIM - Silva Valley Interchange (new account #7730511): transfer funds from 2004 Silva Valley Interchange (7730504)

TIM – Zones 1-7 (new account #7730512): transfer funds from TIM – 2004 TIM (7730505) and TIM – Traffic Impact Mitigation Fees (7730500)

TIM – HWY 50 (new account #7730513): transfer funds from TIM – 2004 HWY 50 TIM (7730701) and TIM – Interim HWY 50 TIM Fees (7730700)

Options:

- 1) a. *Authorize the Auditor-Controller to create new TIM Fee accounts as shown in the TIM Fee Program section of this staff report; and*
  - b. *Approve and authorize the Chair to sign a budget transfer which reduces the budget in the current TIM Fee accounts and reestablishes that budget in a corresponding TIM Fee account for the same purpose, and authorize the transfer of all equity from the existing accounts to the newly created accounts (Attachment 22G).*
- 2) *Provide direction to staff to continue to use existing TIM Fund accounts (in addition to new TIM Fee accounts) until existing funds are expended.*

Staff Recommendation: Option 1:

- a. *Authorize the Auditor-Controller to create new TIM Fee accounts as shown in the TIM Fee Program section of this staff report; and*
- b. *Approve and authorize the Chair to sign a budget transfer which reduces the budget in the current TIM Fee accounts and reestablishes that budget in a corresponding TIM Fee account for the same purpose, and authorize the transfer of all equity from the existing accounts to the newly created accounts (Attachment 22G).*

**Amendment to County Ordinance Code**

On September 20, 2016, in accordance to Board Policy A-3, the Board provided authorization for the preparation of amendments to the appropriate County of El Dorado Ordinance Code Chapter(s) to include the Frontage Improvement Ordinance (Attachment 22H) and the TIM Fee Ordinance (Attachment 22I). Staff is requesting that the Board approve both ordinances. A

second reading is required in accordance to California Government Code Sections 6060-6066 prior to the ordinances to go into effect. The TIM Fee Schedule would be based on the Resolution (Attachment 22F).

Options:

- 1) a. *Approve the Introduction (First Reading) of Ordinance 5044 adding a new Chapter establishing regulations for Frontage Improvements on County Roadways, Chapter 12.09 of the Ordinance Code for El Dorado County, California (Attachment 22H).*
- b. *Approve the Introduction (First Reading) of Ordinance 5045 amending Chapter 12.28 that provides for a General Plan Traffic Impact Mitigation Fee Program, consistent with California Government Code Section 66000 (Attachment 22I).*
- c. *Waive full reading, read by title only and continue the adoption of said Ordinances to December 13, 2016 for Final Passage (Second Reading).*
- 2) *Provide staff direction to amend the Frontage Improvements Ordinance and/or the TIM Fee Ordinance.*

Staff Recommendation: Option 1:

- a. *Approve the Introduction (First Reading) of Ordinance 5044 adding a new Chapter establishing regulations for Frontage Improvements on County Roadways, Chapter 12.09 of the Ordinance Code for El Dorado County, California (Attachment 22H).*
- b. *Approve the Introduction (First Reading) of Ordinance 5045 amending Chapter 12.28 that provides for a General Plan Traffic Impact Mitigation Fee Program, consistent with California Government Code Section 66000 (Attachment 22I).*
- c. *Waive full reading, read by title only and continue the adoption of said Ordinances to December 13, 2016 for Final Passage (Second Reading).*

**TIM Fee Administrative Manual**

To ensure that the TIM Fee Program is administered consistently and all pertinent documents can be found in one location, a TIM Fee Administrative Manual (Attachment 22J) has been prepared by Urban Economics. The TIM Fee Administrative Manual has been constructed consistent with the proposed TIM Fee Ordinance. The proposed manual contains the following sections:

- Applicability of TIM Fee
- Calculation of TIM Fees
- Payment of TIM Fees
- Credits and Reimbursement for Developer-Constructed Facilities
- Appeals
- Collection and Accounting of TIM Fees
- Use of TIM Fee Funds

A final TIM Fee Administrative Manual will be brought before the Board in January/February 2017 for adoption via Resolution.

Staff Recommendation: *Receive and file the Draft TIM Fee Administrative Manual and Resolution (Attachment 22J) and provide input towards finalizing the documents.*

### **Final Outreach Summary Report**

As part of the Major CIP and TIM Fee Update process, an extensive outreach program was authorized by the Board on December 16, 2014. The goal of this process was to involve the Board, the public and stakeholders in this process. The objective was to build a consensus and develop a mutual understanding of impact fee policy, ensuring that stakeholder interests and concerns were heard and considered to maximize community acceptance of the CIP and TIM Fee Program. County consultant Flint Strategies conducted a public outreach program which included communication with elected officials and extensive outreach to the broad range of stakeholders and interested parties.

The public outreach effort consisted of multiple channels of engagement to ensure maximum participation by residents, business owners, developers and other focus groups. This included 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 was targeted and tiered for maximum effectiveness.

The strategies of the Board and public outreach effort included:

- Early and ongoing coordination with the Board
- Outreach meetings with small groups of stakeholders with similar concerns
- Development of interactive opportunities for engagement in the field
- Utilization of social media to promote engagement opportunities
- Leveraging of local news media and trade publications
- Development/enhancement of partnerships with business, industry associations and organizations

Attachment 22K includes the final outreach summary. For a comprehensive list of all Board of Supervisors, public workshops, and other presentations completed as part of the Major CIP and TIM Fee Update Process, see Attachment 6B of Legistar Item 14-1054.

*Staff Recommendation: Receive and file the Final Outreach Summary Report (Attachment 22K).*

### **Responses to public comments**

The County continues to receive public comments on the Major CIP and TIM Fee Program Update. Additionally, the Planning Commission voiced their concerns and questions at the October 27, 2016 hearing. The following section summarizes and responds to comments and questions raised by the Planning Commission as well as comments received by the public.

### ***Development of Growth Forecast***

At the October 27, 2016 Planning Commission hearing, one of the commissioners had several questions related to the development of the growth forecast used for the Major CIP and TIM Fee Update.

Forecasting growth is an iterative and ongoing process – forecasts are reviewed and adjusted annually (as part of the annual CIP and TIM Fee updates) as well as every five years (as part of

the Major Five-Year CIP and TIM Fee program updates). Routinely verifying and updating growth forecasts allows the County to account for new information and adjust its assumptions and plans accordingly.

The last 20-Year growth forecast was completed in 2002 by Economic & Planning Systems, Inc. (EPS) for development of the 2004 General Plan<sup>1</sup>. The current CIP and TIM Fee programs are based on the EPS report and a traffic analysis completed by Dowling and Associates, Inc. in 2005. In 2012, BAE Urban Economics (BAE) completed a growth forecast through 2035, including a review of consistency with the 2004 General Plan, and a projection of the future growth rate. The growth forecast identified by the BAE report is based on El Dorado County's historical growth rate and distribution. This growth forecast, which did not include accommodating the Regional Housing Needs Allocation (RHNA), was presented to the Board on July 30, 2013.

On February 24, 2014, and again on April 8, 2014, staff presented three 20-Year growth forecasts to the Board as a starting point for initiating the Major CIP and TIM Fee Update. On April 8, 2014, the Board identified Scenario 3: Historical growth rate with General Plan-consistent growth distribution as the preferred alternative to proceed with the Major CIP and TIM Fee Update. Scenario 3 is the most consistent with the assumptions, goals and objectives of the 2004 General Plan that seek "to concentrate and direct urban growth where infrastructure is present and/or can be more feasibly provided" (Plan Objective 6) and support "Community Regions where growth will be directed and facilitated" (Plan Concept A). In addition, Scenario 3 is the most consistent with Board-identified objectives for the General Plan 5-Year review, including the creation of jobs, reducing sales tax leakage, reducing constraints to the development of affordable housing, and preserving and protecting agriculture and natural resource lands. Finally, Scenario 3 also accommodates the County's RHNA, a key State mandate implemented through the County's Housing Element. The selected growth forecast was used as a starting point for the Major CIP and TIM Fee Update process. Attachment 22F, Table 2, provides information relating to the projected growth for residential and non-residential development used as part of the Major TIM Fee Update.

### Residential Growth

The residential growth forecast is based on the BAE report dated March 14, 2013 (see Attachment 8H). The BAE report indicates that the County's residential growth projection is based on a continuation of the County's historic West Slope residential growth trend over the 2010 to 2035 time period, yielding an average annual growth rate of 1.03 percent (approximately 17,500 new units through 2035). This rate is based on building permit data compiled by the County.

The BAE study did not fully take into account the County's obligation to accommodate the RHNA as required by the State. The growth forecast and distribution that underpins the Major CIP and TIM Fee Update (i.e. Scenario 3) does accommodate the County's RHNA to ensure consistency with the Housing Element and State law. The staff report prepared for the April 19,

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<sup>1</sup> [http://www.edcgov.us/Government/Planning/General\\_Plan\\_Supporting\\_Documents.aspx](http://www.edcgov.us/Government/Planning/General_Plan_Supporting_Documents.aspx)

2016 Board hearing discusses the RHNA and multi-family growth assumptions in detail (Attachment 16A).

The RHNA requires the County to plan for housing at all income levels. Accommodating new units for above moderate income earners is generally not difficult for jurisdictions like El Dorado County because new single family homes are the predominant product being built and often command prices that make them affordable to only above moderate income earners. Conversely, accommodating new units for very low and low income earners is difficult for many jurisdictions, particularly those like El Dorado County, which are very desirable places to live and where the market will bear relatively higher new home purchase costs.

Jurisdictions across the state often find the most or only feasible way to accommodate new units for very low and low income earners (and sometimes even moderate) is through multi-family development or similar higher density and/or more naturally affordable housing options, such as secondary dwelling units. The County's Housing Element directly addresses this issue: "Because low-income households are severely limited in their ability to pay for housing, they typically need to rely on high-density or multi-family housing" (page 4-4). Sacramento Area Council of Government's (SACOG) adopted RHNA also addresses this issue: "For the very low and low-income categories, jurisdictions generally are required to identify sites zoned at multi-family residential densities."

#### Employment Growth

Information from the BAE study provided the employment forecast. BAE's employment projections follow the same general methodology as that used to prepare the 2002 El Dorado County growth projections used in the adopted 2004 General Plan. It assumes that an overall relationship between housing growth and job growth will prevail through 2035, which is expressed in terms of the ratio between jobs and housing in a given area. Due to the West Slope's varied geography and the diverse range of communities found there, jobs/housing ratios vary significantly from Market Area to Market Area, with those located closer to Sacramento and closer to the County's major transportation corridor (Highway 50) tending to have the highest jobs/housing ratios, and those more isolated communities tending to have the lower jobs/housing ratios. The non-residential growth projections assume that as residential growth proceeds in the West Slope area, the increase in jobs will track the increase in housing, based on each Market Area's jobs/housing ratio.

In summary, residential and employment growth through 2035 was applied to the eight TIM Fee Zones (See Table 2 of Attachment 22F). The El Dorado County Travel Demand Model Land Use Final Technical Memorandum (Land Use Memo) dated October 14, 2013 (Attachment 15C) describes the methodology for the distribution of growth. The BAE report was a baseline document which was adjusted to meet the general plan goals and policies by placing the growth within the inventory of achievable residential and non-residential units by Market area. The Land Use Memo did not take into account the required multi-family units to accommodate RHNA; however RHNA was taken into account upon finalizing the 2035 Growth Forecast for use of the Major CIP and TIM Fee Update as well as the Targeted General Plan Amendment and Zoning Ordinance Update. Table 2 of Attachment 22F includes RHNA in its multi-family

housing allocations. Additionally, the growth projections took into account the approved subdivision maps which have not been constructed to date.

### ***Validity of the TDM***

Statements and comments were made at the October 27, 2016 Planning Commission related to the validity of the TDM. An example was provided related to Green Valley Road only needing to be two lanes, instead of the four lane Green Valley Road as described in the current TIM Fee Program, despite approved development projects. Furthermore, it was stated that Green Valley Road was modeled as a flat 2-lane roadway. A concern was also brought up about the model's validation. Additionally a comment was made stating that the TDM should include parameters based on observation and personal experience, and that it needs human interpretation in applying it.

The current TIM Fee Program Road list (Exhibit B of the 2012 TIM Fee Program Resolution) was based on an average 3% annual growth rate. The growth rate for the proposed TIM Fee Program has been reduced. The reduction in the roadway width had to do with how much capacity is actually needed through 2035 and was not merely reduced to decrease TIM Fees.

The roadway network in the TDM was developed based on the approximate capacity of each roadway. The capacity is based on the characteristics of the roadway. Features such as terrain and number of access points can affect the capacity of any roadway. Other capacity constraints include narrow lane widths, grades, intersections with other major roadways, sight distance constraints, etc.

The TDM has 14 different Capacity Classes that are used to define the capacity of each roadway in the model. The Capacity Classes range from high-capacity facilities (i.e. general purpose freeway lanes) to low-capacity facilities (i.e. collector roadways). Green Valley Road is coded as a rural arterial from Missouri Flat Road to Silva Valley Parkway and as a major arterial from Silva Valley Parkway to Sophia Parkway. This classification is consistent with the characteristics of Green Valley Road.

Before it was finalized, the TDM went through an extensive validation and calibration process. The process is intended to establish a reasonable level of confidence that the model can be used as a forecasting tool for the analysis of future conditions. Model validation is a measure of how closely the 2010 baseline model matches the 2010 traffic counts. Model calibration refers to the changes made to the model in order to improve the validation. The TDM was validated for all time periods (daily, peak hour, and peak period), all roadway classifications (e.g. freeways, arterials, collectors), and geographic screenlines (e.g. the County Line or north of US 50). The County's TDM meets or exceeds the validation criteria established by the Federal Highway Administration (FHWA), the California Transportation Commission (CTC), and Caltrans.

In April 2013, the County contracted with Kittelson & Associates, Inc. (Kittelson) to provide a peer review of the TDM. Kittelson does not perform developer-related traffic engineering within El Dorado County, and as such, was identified as the most neutral third party available to conduct an impartial peer review. The purpose of the peer review was to provide an independent



expert review of model inputs, assumptions, methodology, and outputs to verify the model performs its intended function. County staff also provided comments on their documentation and coordinated with Kittelson and Kimley-Horn to address the comments and incorporate the necessary changes to the TDM.

Both SACOG and Caltrans also reviewed the model and provided comments that were incorporated into the TDM. As a result of close coordination with SACOG and Caltrans throughout the TDM update process, both agencies have provided letters concurring with the methodology used to develop the TDM. The County received a letter from SACOG dated February 3, 2014, which states that they concur that the TDM conforms to state-of-practice in subarea travel demand modeling, meets traffic assignment validations standards suggested by FHWA and Caltrans, and it is an appropriate tool for staff to analyze and forecast traffic for the County's long-range transportation planning. The County received an initial letter of concurrence from Caltrans on February 14, 2014 and continued to work with Caltrans through the aforementioned meetings, email exchanges and letters to obtain the final concurrency letter dated September 22, 2014. Refer to Legistar Item number 14-1054, Attachment 5B for all referenced letters from Caltrans and SACOG.

The TDM has been in use by transportation professionals for many years now. It has been used by five different public agencies (Caltrans, City of Placerville, El Dorado County Transportation Commission, Capital Southeast Connector Joint Powers Authority, and SACOG) and 15 different private consulting companies to date. The model was used for a wide variety of projects (e.g. land development, infrastructure, active transportation projects, etc.) in locations all over the West Slope of the County. **None of the transportation professionals who have used the model have expressed any concerns over the model being flawed.**

Per General Plan Policy TC-Xd, the LOS determination shall be as defined by the latest Highway Capacity Manual. The determination of existing and future LOS is data driven and not based on individual perception.

#### ***Structural Deficiency Fair-Share Payment of Bridges from Existing Residents***

A member of the public questioned why existing infrastructure is not "depreciated" due to wear and tear over time and discount TIM Fees based on this depreciation. For example, a hypothetical improvement that has an anticipated 50 year lifespan and is 40 years old would be depreciated by 80%. Under this theory, the TIM Fee program and future TIM Fee payers would only be responsible for 20% of the improvement.

Consistent with TIM Fee Programs of other jurisdictions, an existing resident usage fee is not factored into costs relating to the requirement of new bridges, specifically Highway 50 interchange bridges. Staff turned to Urban Economics for their experience related to this topic. Urban Economics has not seen a jurisdiction charge fees for replacement as a result of "wear and tear" for a bridge or roadways. Additionally, as Urban Economics pointed out, El Dorado County's General Plan does not support charging existing residents/users of the county roadways, bridges, or other transportation infrastructure when replacement is needed to accommodate growth. The County's General Plan requires that new development fully fund all

necessary road capacity improvements to fully offset and mitigate all direct and cumulative traffic impacts from new development.

### ***Inter-Regional Trips***

A member of the public commented that the new residents are encumbered by the unfunded portion of the interregional trips. The commenter asserted that the City of Rancho Cordova correctly calculates their fees by removing external trips from the LOS calculations.

New residents are not encumbered by the unfunded portion of the interregional trips. Under the proposed TIM Fee Program, the fair share contribution for interregional trips is funded with future grant funding, so it is not unfunded. This approach is the most conservative in that it minimizes allocation of project costs to the fee program. In this approach, only the growth in trip ends that start or end in the fee zones are allocated to the fee, as a share of total trip ends. So the share of project costs associated with all the growth in "external" trip ends, whether part of a "external-external" trip or part of an "internal-external" trip, are funded by non-fee sources. The City of Rancho Cordova only excluded the *growth* in external trips from their LOS calculations. They did not exclude existing external trips. Also, unlike El Dorado County, the City's fee program did not include any improvements to Highway 50.

### ***Use of the Bay to Basin Recreation and Tourism Travel Impact Study***

A member of the public commented that the County's TIM Fee Program used external trip data from the Bay to Basin Recreation and Tourism Travel Impact Study. The Bay to Basin Study was not used in the development of the Major CIP and TIM Fee Program Update or the determination of external trips for the TDM. The Bay to Basin Study captured data for a peak recreational period from June 26, 2013 to July 12, 2013, including the Fourth of July holiday. The County's General Plan Policy TC-Xd states that LOS thresholds shall be maintained for the average weekday peak hours, not for peak recreational travel. Therefore, the data in the Bay to Basin Study was not used in the development of the Major CIP & TIM Fee Program Update or the determination of external trips for the TDM. The external trip data for the TIM Fee Program was developed using the County's TDM, which models typical weekday conditions.

### ***Treatment of Tribal Lands in the TIM Fee Program***

A member of the public commented that the TIM Fee study did not capture trips related to the Tribe's Red Hawk Casino and asked if the casino's trips are considered as external trips. The Red Hawk Casino and other tribal lands in El Dorado County are included in the County's TDM. The trips to/from the casino and future trips from other tribal lands are accounted for in the projected traffic volumes from the TDM and the associated LOS calculations.

The tribal lands are not considered to be external (i.e. they are not treated like an adjacent jurisdiction) in the TIM Fee Nexus Study. The primary reason for this is because the Tribe contributes TIM Fees to pay their fair share towards improvements on the County's roadway network. A recent example of this is the Draft EIR for the Tribe's encroachment permit on Shingle Springs Drive to access a gas station. The Draft EIR states that the Tribe must pay TIM Fees to the County to mitigate transportation impacts.

Staff Recommendation: *Receive and file the responses to public comments.*

## **RECOMMENDATION**

Consistent with the October 27, 2016 Planning Commission recommendation, staff recommending the Board adopt the following:

### Environmental Certification/Adoption

- 1) Adopt Resolution 189-2016 certifying the EIR (SCH No. 2016022018) for the proposed Western Slope Roadway Capital Improvement Program and Traffic Impact Mitigation Fee Program for El Dorado County (Attachment 22B), subject to CEQA Findings (Attachment 21D) and Statement of Overriding Considerations (Attachment 21E).
- 2) Adopt the MMRP (Attachment 21G), in compliance with CEQA Guidelines Section 15097(a).

### General Plan Amendments

- 3) Adopt Resolution 190-2016 amending the General Plan Transportation and Circulation Element (Attachment 22C).

Staff is recommending the Board also take the following actions:

### 2016 CIP Book

- 4) Approve the 2016 CIP Book as presented in Attachment 22D, consistent with the Board's tentative approval provided on September 20, 2016.

### TIM Fee Program

- 5) Adopt Resolution 191-2016 which includes the updated TIM Fee Nexus Study as presented in Attachment 22F, consistent with the tentative approval provided on September 20, 2016.
- 6) Authorize the Auditor-Controller to create new TIM Fee accounts as shown in the TIM Fee Program section of this staff report.
- 7) Approve and authorize the Chair to sign a budget transfer (Attachment 22G) which reduces the budget in the current TIM Fee accounts and reestablishes that budget in a corresponding TIM Fee account for the same purpose, and authorize the transfer of all equity from the existing accounts to the newly created accounts.

### Amendment to County of El Dorado Ordinance Code

- 8) Approve the Introduction (First Reading) of Ordinance 5044 adding a new Chapter establishing regulations for Frontage Improvements on County Roadways, Chapter 12.09 of the Ordinance Code for El Dorado County, California (Attachment 22H).
- 9) Approve the Introduction (First Reading) of Ordinance 5045 amending Chapter 12.28 of the Ordinance Code for El Dorado County, California that provides for a General Plan Traffic Impact Mitigation Fee Program, consistent with California Government Code Section 66000 (Attachment 22I).
- 10) Waive full reading, read by title only and continue the adoption of said Ordinances to December 13, 2016 for Final Passage (Second Reading).

Receive and file the following:

- 11) Draft Traffic Impact Mitigation Fee Administrative Manual and Resolution (Attachment 22J), and provide comments towards finalizing the documents.
- 12) Final Outreach Summary Report (Attachment 22K).
- 13) Responses to public comments.

**Next Steps**

- In December 2016, staff will return to the Board for the second reading of the TIM Fee Ordinance and the Frontage Improvements Ordinance. TIM Fees will go into effect 60 days from the second reading of the TIM Fee Ordinance.
- In January/February 2017, staff will return to the Board to approve the TIM Fee Program Administration Manual.

**Contact**

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