

Attachment B

TIM Zone

Information



**COMMUNITY DEVELOPMENT AGENCY
LONG RANGE PLANNING DIVISION**

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Phone (530) 621-4650, Fax (530) 642-0508

January 27, 2015

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

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- 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

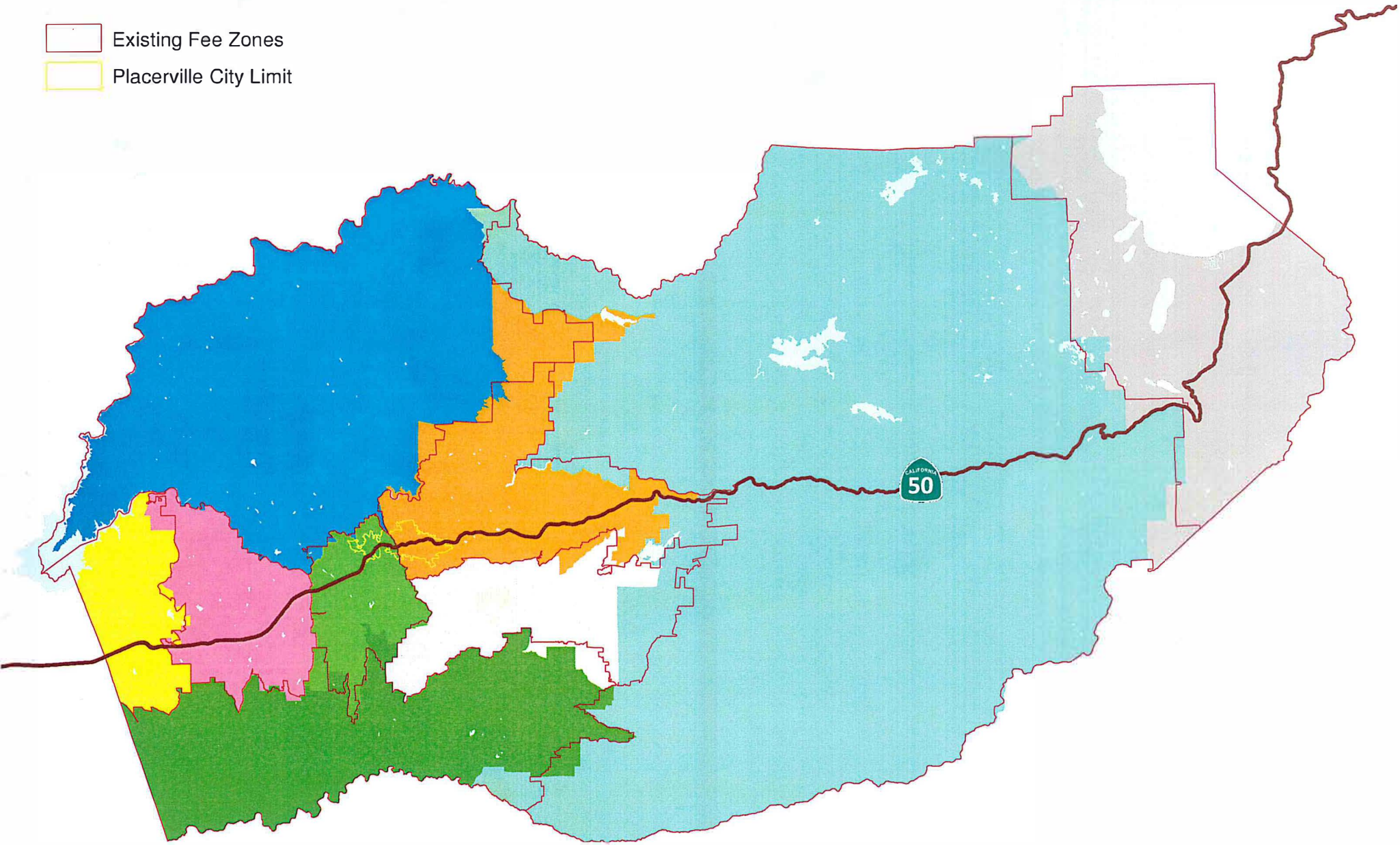
Staff and consultant team will prepare for the March public workshops and April Board workshop.

Contact

Claudia Wade, Sr. Civil Engineer
Community Development Agency, Long Range Planning Division

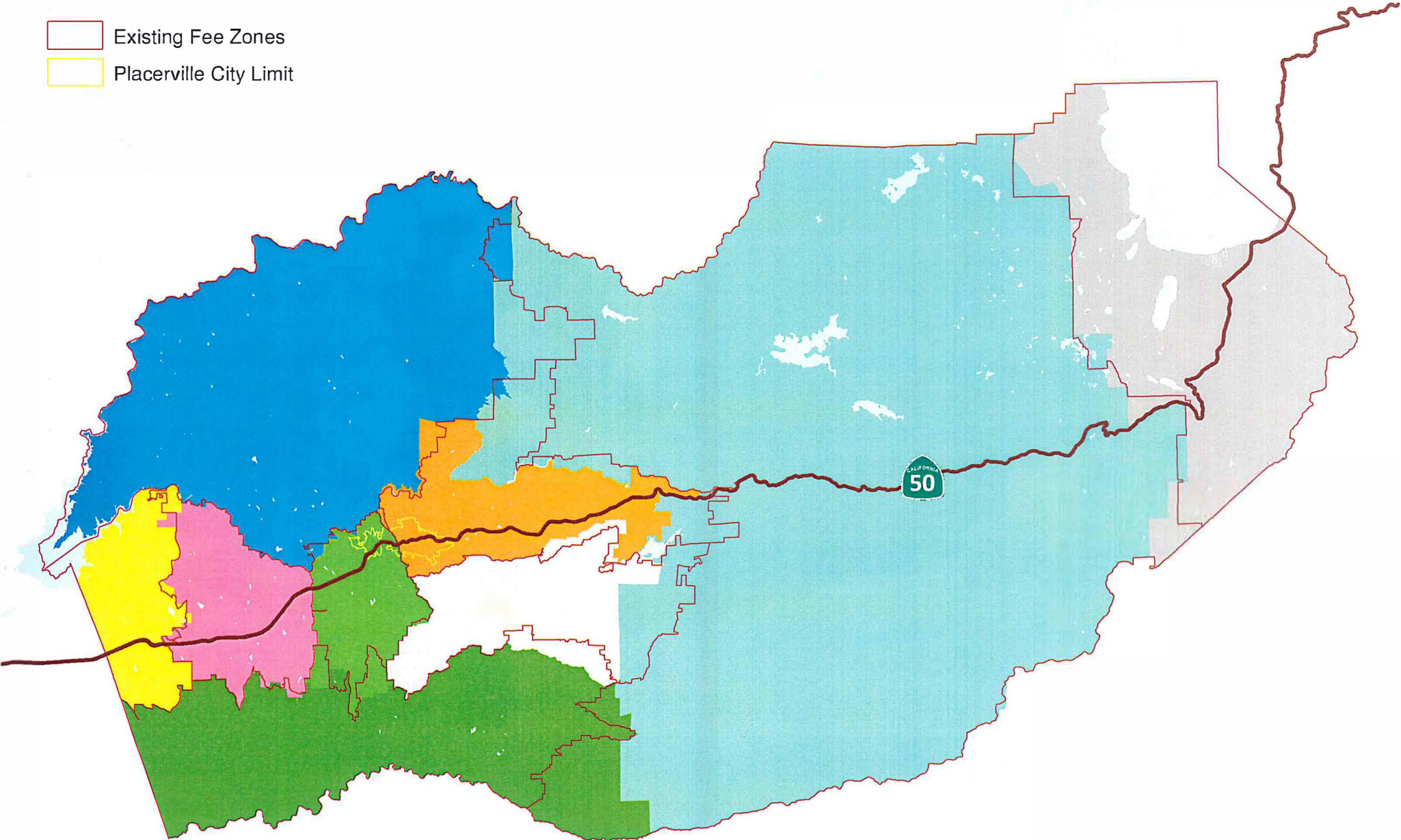
Planning Areas Conformed to TAZ Boundaries : **OPTION 1**

-  Existing Fee Zones
-  Placerville City Limit





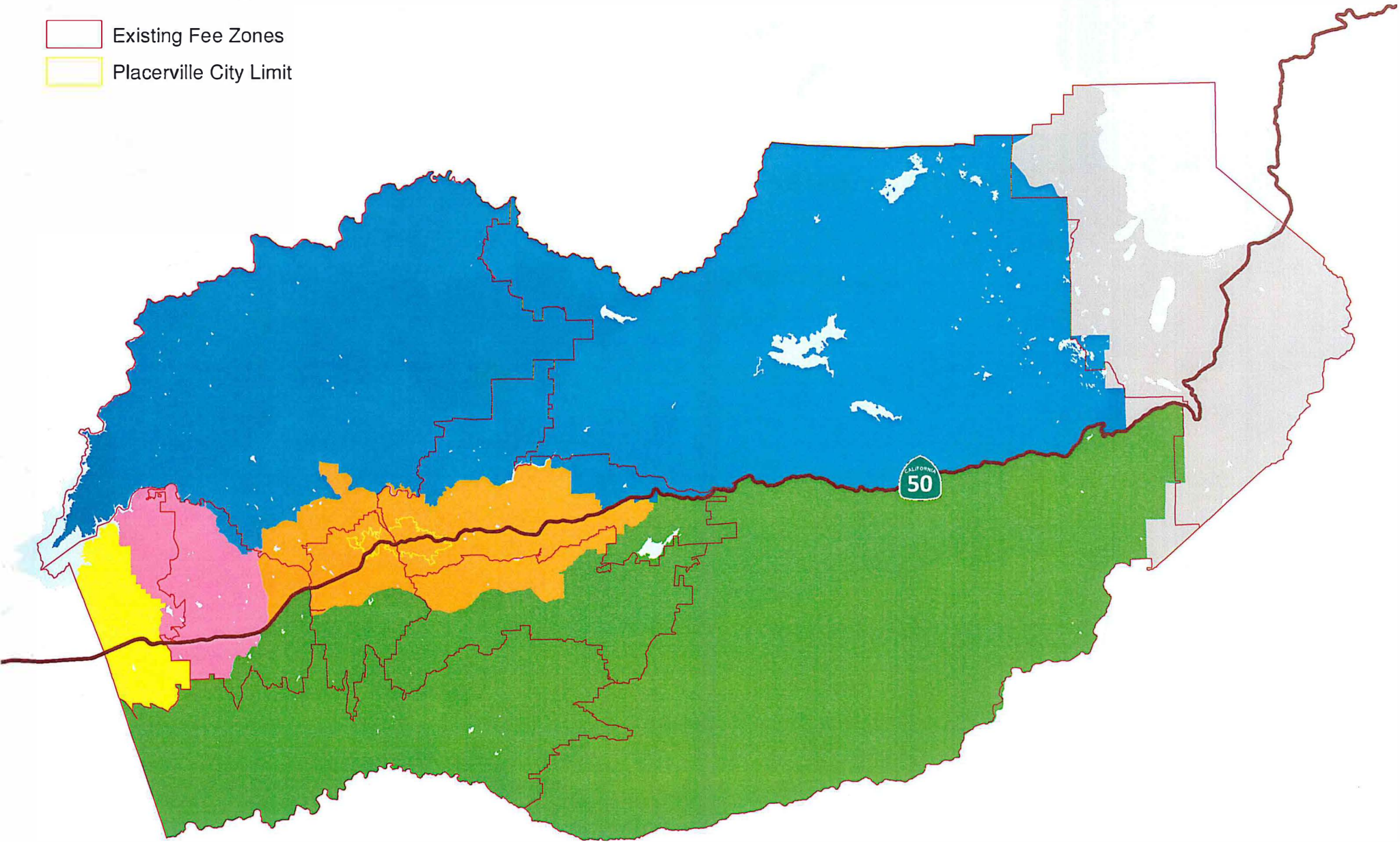
Planning Areas Conformed to TAZ Boundaries and Smoothed : OPTION 2

- Existing Fee Zones
- Placerville City Limit



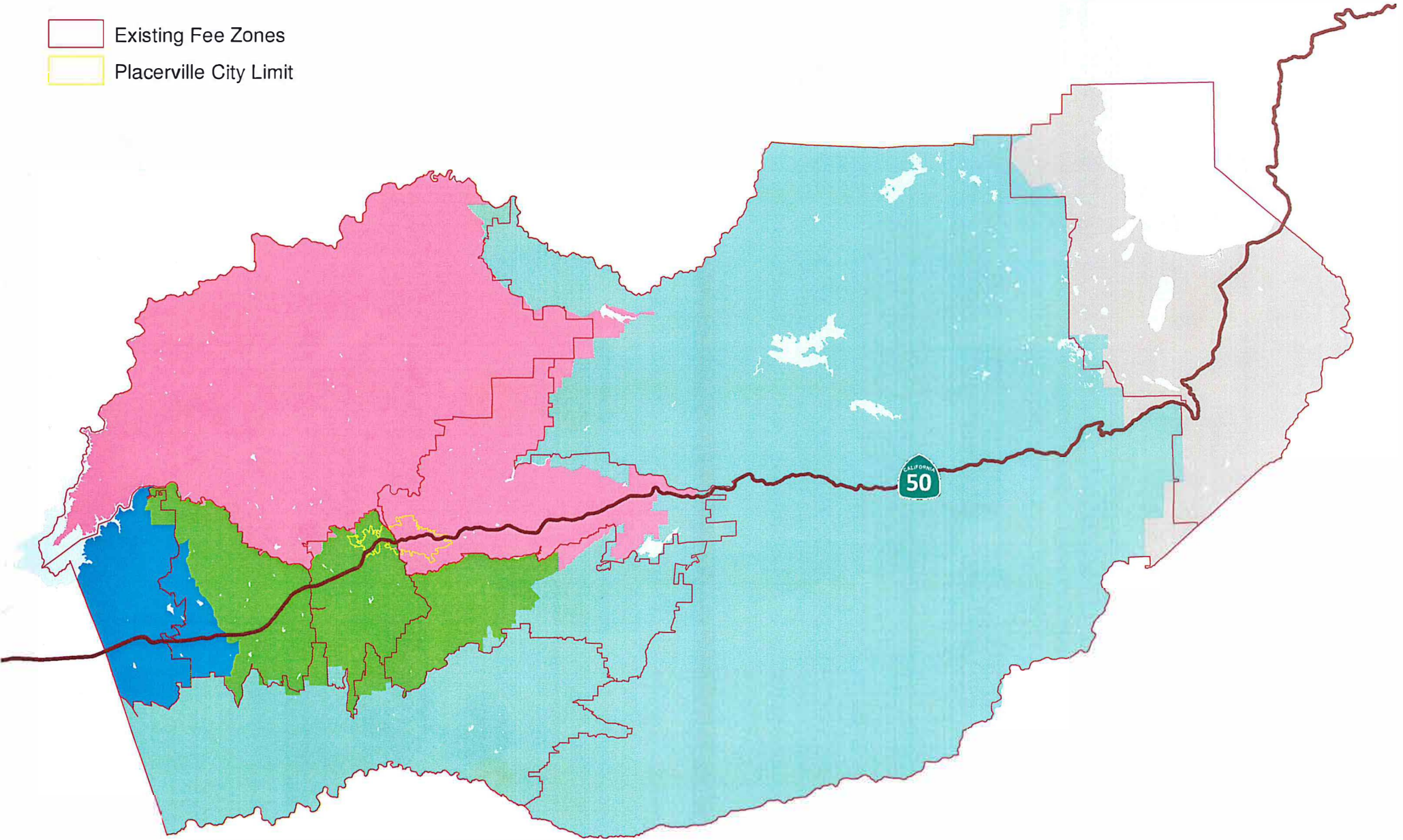
Planning Areas Conformed to TAZ Boundaries and Population : **OPTION 3**

-  Existing Fee Zones
-  Placerville City Limit



Planning Areas Conformed to TAZ Boundaries and Fee Levels: **OPTION 4**

- Existing Fee Zones
- Placerville City Limit



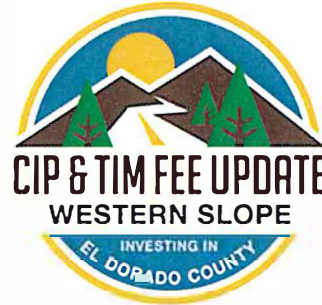


MEMORANDUM

Date: March 23, 2015

Project #:
17666.0

To: Claudia Wade, PE
County of El Dorado
2850 Fairlane Court, Building C
Placerville, CA 95667



From: Jim Damkowitch and Darryl dePencier
Project: CIP & TIM Fee Update: Western Slope
Subject: Draft Technical Memorandum 2-2: Evaluation of TIM Fee Zone Geography

As part of the update to El Dorado County's Traffic Impact Mitigation (TIM) Fee structure, Kittelson & Associates (KAI) will complete a review that includes the fee benefit zone boundaries (TIM Fee Zones). The review would verify that the alternatives are all fair and equitable. Any changes to the TIM Fee Zones must not cause unfair fee burdens and not compromise the county's ability to fund needed improvements.

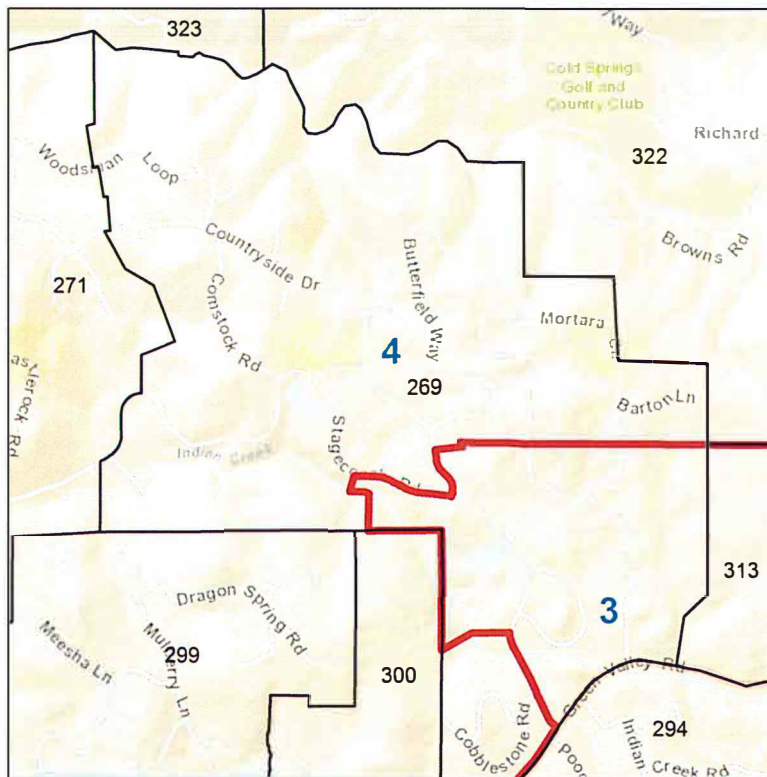
KAI has reviewed the existing fee boundaries, and has developed four alternatives. The fee boundaries as they exist today are not completely compatible with the El Dorado County Travel Demand Model, which is the principal analytical tool that will be used to determine the updated fee structure. Some of the existing boundaries do not correspond to the model's Traffic Analysis Zones (TAZ)s. The four alternatives proposed by KAI were all developed using the model's TAZs as the basic unit of division. The four alternatives are:

1. **Existing Zones:** The model's TAZs were assigned to the zone that they fit into the most. This zone structure is the closest to the existing fee zones achievable using TAZs. This structure maintains the existing eight TIM Fee Zones.
2. **Smoothed Zones:** TAZs were reassigned to adjacent TIM Fee zones to create TIM Fee zone boundaries that are straighter and more easily understood by the public. Zonal intrusions and extrusions have been eliminated where feasible. This structure slightly modifies the existing eight TIM Fee zones.
3. **Population Based Zones:** TAZs have been grouped into TIM Fee zones such that each zone has a roughly equivalent population and avoids separating individual communities into multiple zones. This structure results in five TIM Fee Zones.
4. **Fee Level Zones:** TIM Fee Zones with similar existing fee levels were combined to reduce the number of TIM Fee Zones. This structure reduces the total number of TIM Fee Zones to four, but does not significantly change the existing fee level for any given TAZ.

El Dorado County's West Slope is currently divided into eight TIM Fee Zones. These zones were established both to determine a localized TIM Fee structure that is appropriate for the sub-regions within the county and to determine where TIM Fee revenue can be spent. Some of the existing fee zone boundaries do not correspond with the TAZs in El Dorado County's Travel Demand Model. The model is used to estimate the traffic impacts of allowable development at the local and regional scale, and incorporates land uses at the TAZ scale. It is therefore important that the TIM Fee Zone boundaries correspond with TAZ boundaries to minimize potential confusion between applicants, policy makers, and the objectives of the capital improvement program. All four of the TIM Fee Zone boundary scenarios have been derived at the TAZ level.

An example of the current relationship between TAZs and the TIM Fee Zone boundaries is shown in Figure 1. TAZ 269 is split between TIM Fee Zones 3 and 4. This would mean that the model would be unable to determine which zone should receive benefit for impact fees associated with development within that TAZ.

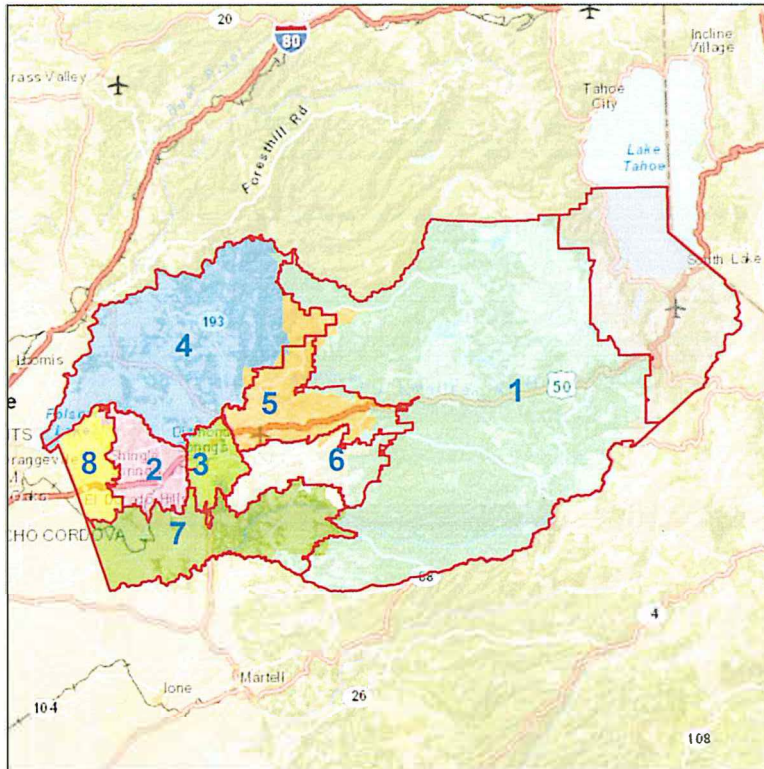
Figure 1. Existing TIM Fee Zone and Transportation Analysis Zone Overlay



EXISTING ZONES

The Existing TIM Fee Zone scenario maintains the eight zones currently in use by assigning each TAZ to the zone that contains the majority of that TAZ. This scenario minimizes the land area being moved from one TIM Fee Zone to another for conformance with the travel demand model. The TIM Fee Zones are shown in Figure 2.

Figure 2. Existing TIM Fee Zone Scenario

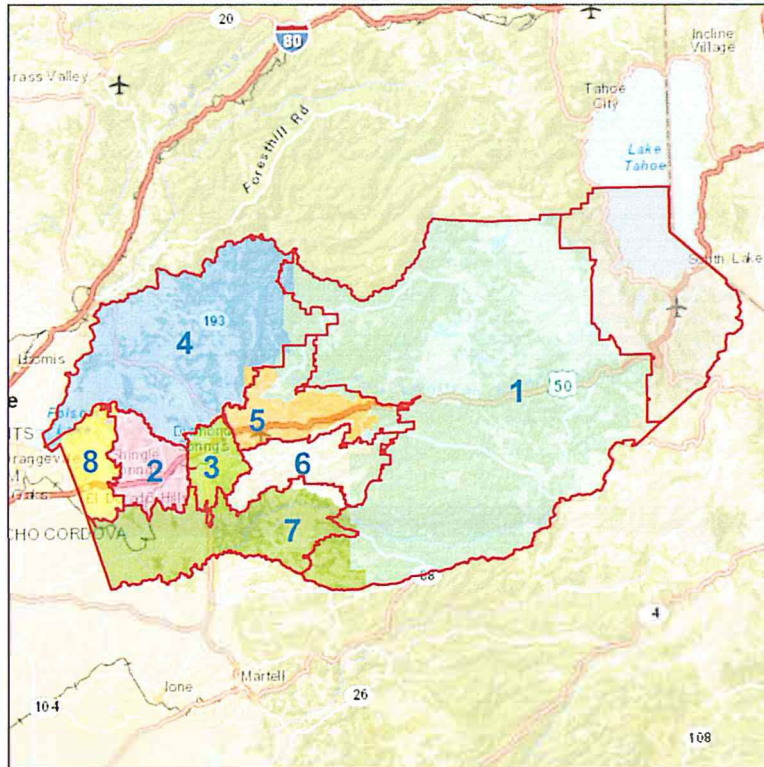


The red lines show the existing TIM Fee Zones, while the colored background shows the proposed TIM Fee Zone boundaries.

SMOOTHED ZONES

The Smoothed TIM Fee Zone scenario modifies the zones in the Existing TIM Fee Zone scenario to make their boundaries smoother with fewer intrusions and extrusions. This scenario would make it easier for applicants to determine which TIM Fee Zone their project resides. The TIM Fee Zones are shown in Figure 3.

Figure 3. Smoothed TIM Fee Zone Scenario

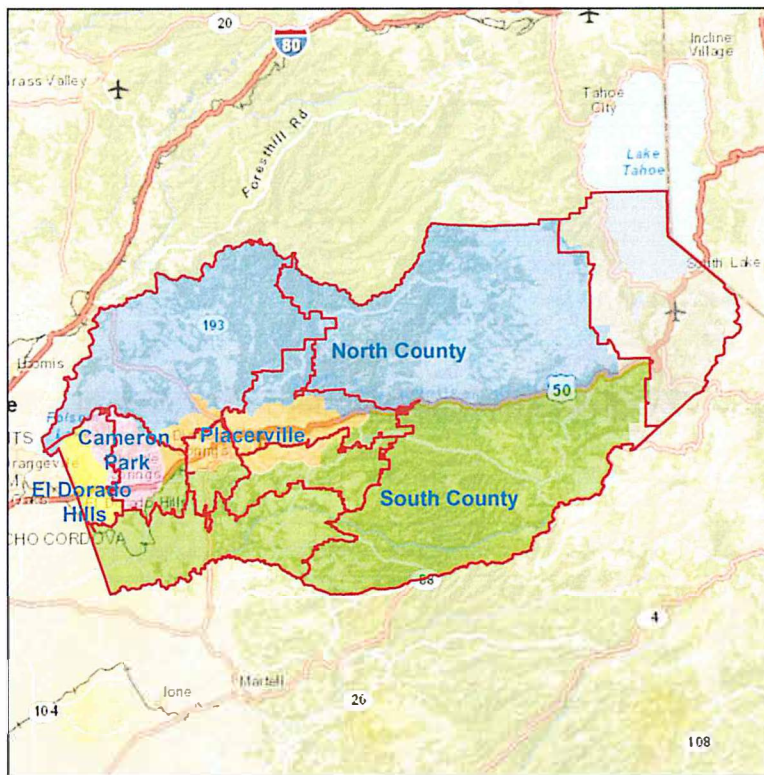


The red lines show the existing TIM Fee Zones, while the colored background shows the proposed TIM Fee Zone boundaries.

POPULATION BASED ZONES

This scenario was created to reduce the number of TIM Fee Zones from eight to five. It groups TAZs around existing communities into sets of roughly equivalent population. The groupings were centered in Placerville/Diamond Springs, El Dorado Hills, and Cameron Park/Shingle Springs respectively. The two more rural zones are divided into north and south, separated by US 50. This scenario is intended to focus development fees into the communities directly hosting the development.

Figure 4. Population Based TIM Fee Zone Scenario

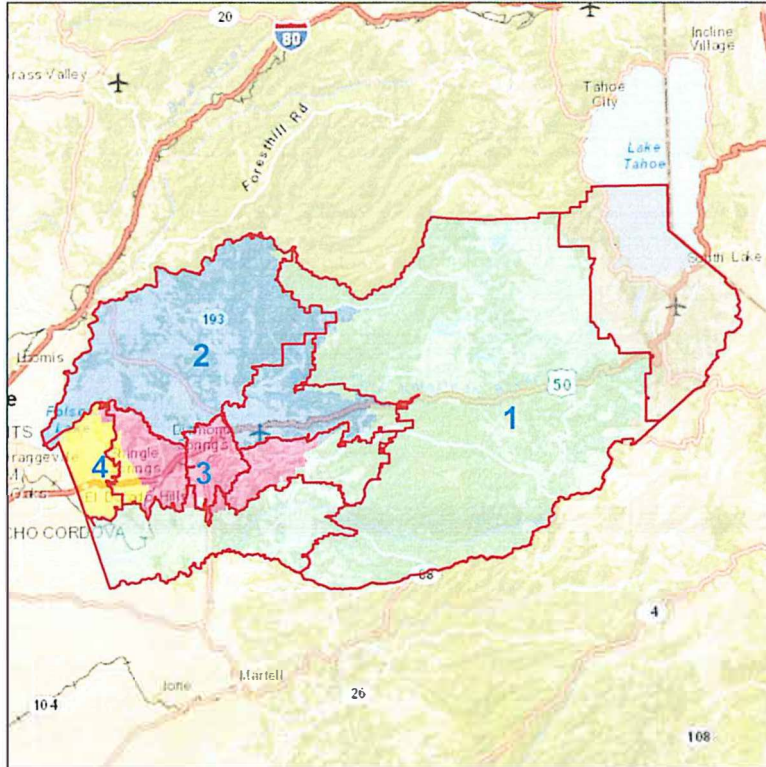


The red lines show the existing TIM Fee Zones, while the colored background shows the proposed TIM Fee Zone boundaries.

FEE LEVEL BASED ZONES

This scenario reduces the number of TIM Fee Zones from eight to four. It merges the existing fee benefit zones based on fee levels. This scenario would allow El Dorado County to have increased flexibility in the allocation of TIM Fee revenues without making significant changes to the fees in any given area of the county.

Figure 5. Fee Level Based TIM Fee Zone Scenario



The red lines show the existing TIM Fee Zones, while the colored background shows the proposed TIM Fee Zone boundaries.

EXISTING REIMBURSEMENT AGREEMENT COMMITMENTS

The proposed changes to TIM Fee Zones would only impact any development that occurs after the TIM Fee program is adopted by the Board. All existing development and fees will not be impacted. Table 1 lists the existing commitments that will be exempted from any changes to the fee benefit zone structure:

Table 1. Existing TIM Fee Commitments

Owner	Project	Fee Balance
Zone 8		
K. Hovnanian Forecast Homes	White Rock Road West	\$504,486
Arrowest Properties, Inc.	Post St. / White Rock Road Signalization	\$85,000
AKT Development Corp	White Rock Road East (RIA)	\$37,921
Pulte Homes	Bass Lake Road (SIA)	\$3,692,152
Green Valley Marketplace	Cash contribution	\$300,000
	Total – Zone 8	\$4,619,559
Zone 8 – Silva Valley Set Aside		
West Valley, LLC	SVI – Phase 1 Developer Advance & Design Cost	\$16,194,966
Zone 2		
Silver Springs, LLC	SS Parkway & GV/SS Intersect	\$2,767,549
Silver Springs, LLC	GV/SS Overlay	\$115,315
Silver Springs, LLC	Green Vly/Deer Vly Intersection	\$397,693
Silver Springs, LLC	Offsite Silver Springs Pwky	\$3,889,855
Silver Springs, LLC	Madera Right Turn Lane	\$125,574
	Total – Zone 2	\$7,295,986

NEXT STEPS

Completion of the existing and future deficiency analysis will inform the identification of CIP projects to be funded through the updated TIM Fee program. Once the CIP project list has been approved by El Dorado County, a fair share analysis will be performed on all four TIM Fee Zone scenarios.

Based on the fair share results, each scenario’s fee structure results will be developed and compared. The fee structure alternatives will be provided to the El Dorado County Board for consideration. The Board of Supervisors will then determine which of the TIM Fee structures and associated TIM Fee Zone boundaries should be advanced for adoption.



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LONG RANGE PLANNING DIVISION**

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September 22, 2015

TO: Board of Supervisors

FROM: Claudia Wade, Senior Civil Engineer

Subject: Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Update – Board of Supervisors (Board) Study Session #3

PURPOSE AND SUMMARY

The purpose of today's Board Study Session is to provide, discuss, and receive preliminary feedback on the following draft information:

- 1) Proposed 2035 TIM Fee project list
- 2) Proposed 2035 TIM Fee project component assumptions
- 3) Status of proposed CIP project list
- 4) Alternative funding sources
- 5) Updated project schedule
- 6) Draft TIM Fee structure
- 7) Proposed California Environmental Quality Act (CEQA) document for the TIM Fee Program

Staff is not requesting Board direction or action during this Study Session. Following today's Study Session, staff will present this draft information to focus groups scheduled for the week of September 21, 2015 and to the public during workshops scheduled for the week of September 28, 2015. Staff will return to the Board in November/December to present feedback from these focus group and public outreach meetings. In November/December, staff will provide new or revised information as necessary and request the Board provide direction.

BACKGROUND

A CIP is a planning document that identifies all capital improvement projects (e.g., roads and bridges) a local government or public agency intends to build, replace or improve over a certain time horizon. CIPs typically provide key information for each project, including delivery schedule, cost and various revenue sources. The Community Development Agency's (CDA) CIP provides a means for the Board to determine CDA's capital improvement projects and funding priorities over a 20-Year horizon.

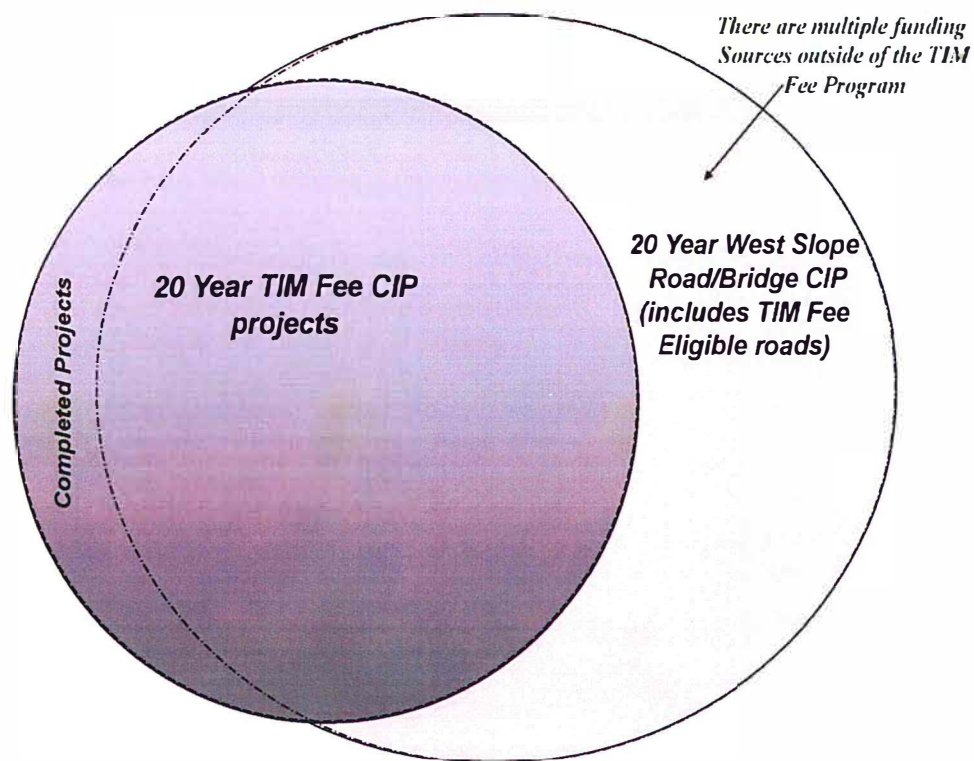
A TIM Fee is a fee levied by a local government or public agency to ensure that new development projects pay for all or a portion of the costs of providing public infrastructure or services to new development over a specified time horizon. Since 1984, the County has adopted

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 over a 20-Year horizon.

For the purposes of this discussion, a clarification must be made as to the relationship between TIM Fee projects and other projects in the CIP. The CIP is the planning, prioritization, scheduling and construction mechanism, while the TIM Fee program is one of the funding mechanisms for getting needed CIP projects built within the County. The CDA's CIP includes TIM Fee and non-TIM Fee projects.

TIM Fee projects are CIP projects that are driven by new development and are to be funded via TIM Fee revenue. Other (non-TIM Fee) projects are also included in the CIP and funded with a variety of other sources. Since these other projects do not meet the nexus requirements per the Mitigation Fee Act (Government Code Section 66000 et. seq.) they are not identified as TIM fee projects and are not eligible for TIM fee funding.

Figure 1: CIP and TIM Fee Program Relationship



Note: When a TIM Fee project with a financial commitment is completed, it is removed from the CIP program. The project, however, remains within the TIM Fee Program until the financial commitment has been completed.

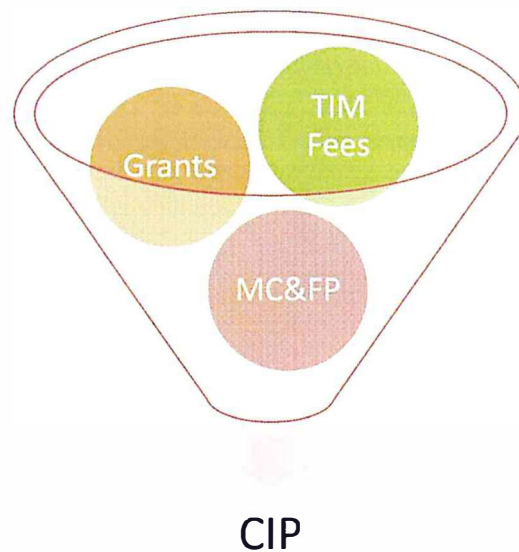
The CIP projects have various funding sources, as shown in Figure 2 below. The CIP includes the following project types:

- *Roadway improvements* required as a result of projected growth, funded by the TIM Fee Program (e.g., Diamond Springs Parkway, Green Valley Road Widening, Latrobe Road Widening).
- *Safety/Operational improvements* as a result of existing deficiencies funded by state or federal grants (e.g., Cold Springs Road Realignment, Green Valley Road Traffic Signal Interconnect). Some Safety/Operational Improvements projects have used a percentage of TIM Fee dollars to match grant dollars.
- *Bridge projects* funded by state and/or federal grants (e.g., Bucks Bar Road Bridge Replacement). A few bridge projects have used a percentage of TIM Fee dollars to match grant dollars.

Additional CIP projects, such as the Pleasant Valley Road at Oak Hill Road Intersection Improvements Project, are funded primarily by grants, but also have some TIM Fee funding. The County often uses TIM Fee funds to match federal or state grant funds, thus enabling the County to leverage TIM Fee dollars to obtain additional grant funding.

Figure 2: CIP Funding Sources

Various Funding Sources



It is essential that the CIP supports the goals and policies of the General Plan. 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 (see Attachment 7D for a detailed discussion of the background of the CIP and TIM Fee Program). As required in Policy TC-Xb, the CIP must plan for the appropriate infrastructure to maintain required level of service (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 be created and

implemented consistent with the Mitigation Fee Act (AB 1600), must support the CIP, and ensure that future development pays for its fair share to mitigate its impacts.

Background on 2012 TIM Fee Update

As presented to the Board on April 19, 2011 (see Attachment 9B), and again on December 11, 2011 as part of a presentation to update the TIM Fee Program, the Transportation staff said they would explore four areas for possible TIM Fee Program cost reductions:

- A) Deletion of projects not absolutely necessary for traffic impact mitigation. The trigger would be in compliance with General Plan Level of Service (LOS) requirements.
- B) Deletion of the remaining HOV Lane Project (i.e., Bass Lake Road to Cameron Park Drive) from the fee program.
- C) Reduction of the “Traffic Signal” line item in the TIM Fee Program. This has implications as to what the County will need to require from developers (e.g., developer constructed signals with no reimbursement).
- D) Identify the likely impacts of eliminating any expenditure on the State Highway System with the exception of the Silva Valley Parkway Interchange Project.

In addition to these four categories, the Transportation staff communicated to the Board that a third party outside review committee would be established to review cost estimates for County CIP projects. This outside CIP Cost Estimate Review Committee (CCERC) would review the 2011 CIP, which became area E) of the fee reduction process:

- E) Review of CIP Cost Estimates in coordination with CCERC.

Based on reductions made within areas A), C) and E) listed above (the “low hanging fruit”) the Board significantly reduced the TIM Fee Program by \$138.6 million on February 14, 2012. This reduction resulted in an average reduction by TIM Fee fund as follows:

- Zones 1-7: 14.1%
- Zone 8: 13.3%
- Hwy 50: 18.1%

The Board also created the Age Restricted Single Family Dwelling Unit and Multi-Family Dwelling Unit TIM Fee categories for Zones 2, 3, and 8.

Background on 2015 Major CIP and TIM Fee Update

On February 10, 2015, staff provided a comprehensive summary of what the Board could expect as part of the Major CIP and TIM Fee Update process through its scheduled adoption. The Board confirmed the following:

- 1) Project purpose and goals
 - a. Develop a legally-defensible CIP that is consistent with the General Plan and supports its implementation.
 - b. Develop a legally-defensible TIM Fee Program that supports CIP implementation and is consistent with the Mitigation Fee Act (AB 1600).
 - c. Reduce the TIM Fees to the extent possible while still achieving the goals above.
 - d. Adopt new CIP and TIM Fee Program by first quarter 2016.
- 2) Baseline assumptions (see below for additional information).

- 3) TIM Fee zone geography options (see below for additional information).
- 4) Approach to public outreach.
- 5) Project schedule.

On May 5, 2015, the Board took the following actions:

- 1) Received and filed information on the traffic analysis methodology, existing and future deficiency analysis results, alternative funding, and summary of initial public outreach and focus groups.
- 2) Confirmed that the four TIM Fee Zone geography options presented are appropriate for further analysis.
- 3) Directed staff to select one parcel in each existing Zone and demonstrate at a future Board meeting how the TIM Fee rate for said parcel would be affected in each Zone change scenario.
- 4) Provided input on the land use categories.
- 5) Directed staff to proceed with the 2035 General Plan Land Use Scenario for the purposes of creating a draft CIP list and preliminary TIM Fee structure.

A note about Baseline Assumptions

The baseline assumptions confirmed by the Board at the February 10, 2015 meeting were founded on the best information available at that time. Multiple projects currently in process could result in new or revised information relative to these assumptions. These projects include:

- *Sacramento Area Council of Government's (SACOG) 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS)*. The MTP/SCS is scheduled for public review and comment in Fall 2015 and adoption in Winter 2015/16. Staff was informed in July 2015 that the City of Folsom was working with SACOG to modify growth assumptions in the area south of US Highway 50 as part of the MTP/SCS process.
- *Missouri Flat Master Circulation and Financing Plan (MC&FP) Phase II*. On March 30, 2015, the Board directed staff to come back with a fiscal report/presentation demonstrating the fiscal viability of an MC&FP Phase II. The County's consultant Economic and Planning Systems, Inc. has been diligently working on providing information to present to the Board in November/December. If the Board determines to continue proceeding with MC&FP Phase II, an analysis will be conducted as part of the scope of work to determine what improvements, if any, are required for the Missouri Flat Interchange as well as any other local roadway improvements which can potentially be added to the TIM Fee Program.
- *Targeted General Plan Amendment/Zoning Ordinance Update (TGPA-ZOU)*. A Board hearing will be scheduled in November to consider adoption of the TGPA-ZOU.
- *Joint Power Authority (JPA) Southeast Connector*. The JPA Southeast Connector (Connector) is currently working on a CEQA analysis for White Rock Road running through the City of Folsom through El Dorado County (from Prairie City Road to Latrobe Road). As part of the Connector's CEQA analysis, the revised traffic numbers from Folsom as part of SACOG's 2016 MTP/SCS update have been taken into account.

- *Major Development Proposals, including Central El Dorado Hills Specific Plan, Village of Marble Valley Specific Plan, Lime Rock Valley Specific Plan, Dixon Ranch and San Stino.* Several General Plan amendment projects are moving forward and anticipate going to the Board for consideration of approval by the end of 2015 or early 2016.

Approval or implementation of any of the aforementioned projects may require future updates to the Travel Demand Model (TDM), CIP and/or TIM Fee Program. The County continually updates the TDM and conducts annual CIP and TIM Fee updates to incorporate new information as necessary. If any of these projects are approved and/or result in new information, the County will update the CIP and TIM Fee as appropriate during the next annual update. Incorporating new information at this point (e.g., new forecasts per the MTP/SCS) would delay the Major CIP/TIM Fee Update project. The amount of delay depends on what pending projects listed above the County would wait for a decision on; the delay could vary from two to six months. The cost to amend the growth projections, provide a revised a future deficiencies analysis (TIM Fee list), potentially revised CIP cost estimates, and revise draft TIM Fee Structures could cost \$60,000 of consultant time (depending on the results of the deficiencies analysis).

It is standard practice to choose a point in time and base calculations based upon best the best information available at that time. Changing baseline assumptions mid-process and/or waiting for new information that appears to be forthcoming will lead to considerable delays and cost overruns. Again, if any of these projects are approved and/or result in new information, the County will update the CIP and TIM Fee Program as appropriate during the next annual update.

DISCUSSION

To continue moving forward with the project and keep to the schedule, staff is recommending the Board review, discuss, provide preliminary feedback, and receive and file the following draft information (further discussion on the seven items is provided below):

- 1) Proposed 2035 TIM Fee project list
- 2) Proposed 2035 TIM Fee project component assumptions
- 3) Status of proposed CIP project list
- 4) Alternative funding sources
- 5) Updated project schedule
- 6) Draft TIM Fee structure
- 7) Proposed CEQA document for the TIM Fee Program

1. Proposed 2035 TIM Fee Project List

The proposed 2035 TIM Fee Project list (Attachment 9C) was developed by identifying what roadway improvements would be required over a 20-Year period (through 2035) as a result of growth. At the May 5, 2015 Board Study Session #2, Kittelson & Associates (KAI) presented the Draft Technical Memorandum 2-3: *Existing and Future Deficiency Analysis*. This Draft Technical Memorandum has been updated to reflect the Board's direction to use only the existing General Plan for the proposed update (Attachment 9D). This memorandum summarizes the existing and future deficiency analysis including the Mitigation Fee Act nexus justification for the improvement concepts to be advanced as part of the Major CIP and TIM Fee Update.

The TIM Fee project list includes the following types of projects:

- Projects needed to address future level of service (LOS) deficiencies (e.g., Green Valley Road, Highway 50 improvements). This also includes parallel capacity projects (e.g., Saratoga, White Rock Road, and Country Club).
- Projects with current reimbursement obligations (e.g., Silva Valley Interchange).
- Line items for bridge replacement grant match funds, intersection improvements, transit capital improvements and program administration.

The existing TIM Fee Resolution Exhibit B, adopted in 2012 has been included as Attachment 9E as a reference point. The proposed 2035 TIM Fee Program project list (Attachment 9C) was completed by determining which roadway improvements would be required by 2035 based on the growth projection as directed by the Board on April 8, 2014 (1.03% annual growth rate, with 75% of growth occurring within Community Regions and 25% occurring outside of Community Regions) and consistent with General Plan policies inclusive of Measure Y. This list was created based solely on a quantitative analysis and did not take into account any other factors.

Attachment 9F provides information on the successful completion of TIM Fee Program roadway projects. Attachment 9G provides a list of roadway projects which have been modified, added or deleted when compared to the 2012 TIM Fee Program roadway list.

To the extent an approved development project considered, as part of its environmental review, a CIP project now proposed for removal, subsequent discretionary approvals for such a project may have to be reanalyzed if:

- a) Substantial changes are proposed in the project which will require major revisions of the Environmental Impact Report (EIR); or if
- b) Substantial changes occur with respect to the circumstances of the project being undertaken which will require major revisions to the EIR; or if
- c) New information, which was not known and could not have been known at the time the EIR was certified as complete, becomes available to determine if conditions of approval or mitigations would require changing as a result of the update to the TIM Fee and/or CIP program.

This analysis will occur as needed on a project-by-project basis.

Staff has also received questions regarding whether TIM Fees paid for prior development projects are impacted if the TIM Fee Project list or Fee amount changes as part of this update process. Specific questions include:

- Does the County have an obligation to *refund* any TIM Fee revenue paid/collected in the past should the TIM Fee be *reduced* as a result of this update process?
- Does the County have an obligation to *require any additional* TIM Fee revenue from applicants that have paid past TIM Fees should the Fee be *increased* as a result of this update process?

The answer to both these questions is “no.” Section 66001(d) of the Mitigation Fee Act (Government Code Sections 66000 through 66025) requires that all fee programs undergo

periodic review to justify continued holding of unexpended fund balances and continued collection of a fee. The TIM Fee Program update is designed to comply with this statutory requirement. Should the maximum justified fee decline as a result of the update, the County should revise and implement a new fee schedule as soon as practicable to avoid overcharging new development projects. Prior development projects that paid under the current (higher) fee schedule would not be due a refund because their fee amount was based on the most current nexus analysis available at the time of payment. Similarly, if the fee increased as a result of the TIM Fee Program update, prior development projects would not be obligated to supplement a prior fee payment. At the time of adoption of the TIM Fee Program update, any unexpended fund balances along with future fee revenues would be directed to the revised projects justified under the TIM Fee Program update.

2. Proposed TIM Fee Project Component Assumptions

Quincy Engineering was tasked with preparing cost estimates for all projects to be included in the updated CIP projects, including the TIM Fee projects. Cost estimates are only provided for the draft TIM Fee project list at this time; cost estimates for all other (non-TIM Fee) CIP projects will be provided at a future Board Study Session. The assumptions and parameters used in the generation of the cost estimates and the cost estimates are included in Attachment 9H.

Discussion Point

The existing TIM Fee Program includes right-of-way costs and frontage improvements (sidewalk, curb and gutter) for some projects. Staff's preliminary recommendation is to remove sidewalk, curb and gutter, and right-of-way from the TIM Fee Program in locations where future development could provide right-of-way and construct frontage improvements at their own cost and without reimbursement. See Attachment 9I for an overview of alternatives in removing right-of-way and/or sidewalks from project costs. If the Board agrees with this recommendation, an ordinance requiring development to construct its frontage improvements and dedicate right-of-way would be necessary. This practice is consistent with many other local jurisdictions, including Placer County. This ordinance would be processed along with the CIP and TIM Fee Update project.

The benefits to removing right-of-way, sidewalk, curb and gutter are:

- Overall TIM Fee Program costs could be reduced by approximately \$18.9 million.
- Developers could be required to provide necessary right-of-way to the County and/or pay for frontage improvements as part of the project approval and development process, rather than leaving these items in the TIM Fee Program and spreading these costs across all new development subject to the TIM Fee.

The potential downside to removing right-of-way, sidewalk, curb and gutter are:

- If the County constructs a TIM Fee road project, different funding sources may potentially need to be secured.
- Certain development projects may incur increased costs.

3. Status of Proposed CIP Project List

Draft Technical Memorandum 2-3: *Existing and Future Deficiency Analysis* lists projects that are scheduled to be included in the updated TIM Fee Program. Projects no longer necessary to accommodate future implementation of the General Plan can still be included in the CIP with funding from other sources, but they no longer meet the nexus requirements to use TIM fee funding.

The list of preliminary (non-TIM Fee funded) CIP projects will be provided at a future Board Study Session. Currently the CIP is in draft form and staff is still receiving comments from the public to ensure that it captures and reviews all potential CIP needs. Staff will continue to take input until August 31, 2015, and will then finalize the draft CIP list.

4. Alternative Funding Sources

Alternative funding for the CIP includes all federal, state, and local sources other than TIM Fee revenue. El Dorado County receives some federal and state transportation revenue directly from the funding agencies. Other federal and state transportation funding is programmed through the Regional Transportation Planning Agency or Metropolitan Planning Organization; in the case of El Dorado County those agencies are the El Dorado County Transportation Commission (EDCTC) and SACOG, respectively. Federal and state transportation funding is typically programmed formulaically or through a competitive process.

EDCTC has provided the County a draft projection of available funds for the next 20 years as part of the Financial Element of the Draft El Dorado County Regional Transportation Plan 2015-2035 (RTP) for use in the CIP and TIM Fee Update (Attachment 9J). The Draft RTP Financial Element is developed in close coordination with SACOG and determines the transportation revenue likely to be realized throughout the region over the 20-Year planning horizon. The Draft RTP Financial Element projections reveal the state and federal transportation funding through 2035 for both the west slope of El Dorado County and the City of Placerville.

The grant revenue estimate for the updated program is based on a conservative assumption that the County will get only 70% of the total EDCTC projected revenue even though the unincorporated area contains 93% of the West Slope's population. Based on the last 11 years of revenue history for the TIM Fee, the County could anticipate \$196,000,000 in grant funding over the next 20 years. However, for conservative purposes, the draft TIM Fee structure only assumes that the County will receive \$188,000,000, and of that amount only \$119,000,000 will be applied to the TIM Fee Program. Further discussion on the grant funding and its uses will take place in November/December.

Attachment 9K, Draft Technical Memorandum 3-2: *Project Policy Guidance and Technical Assumptions*, provides a full discussion on the alternative funding. Outside of the TIM Fees, other local funds are primarily derived from contributions from the MC&FP.

5. Updated Project Schedule

Board Study Session #3 was originally scheduled to occur on July 28, 2015. However, due to additional analysis requested of the consultants (i.e., further analysis on Missouri Flat

Interchange and Bass Lake Interchanges, and review of cost estimates with and without frontage improvements), Board Study Session #3 was rescheduled to September 22, 2015. As a result, the remaining Board Study Sessions have also been rescheduled. See Attachment 9L for the updated project schedule.

6. Draft TIM Fee Structure

Attachment 9M contains the preliminary draft TIM Fee Structures for four alternative TIM Fee Zone geographies:

1. Best Fit (Existing)
2. Smoothed (8 Zones)
3. Population Based (5 Zones)
4. Fee Based (4 Zones)

These draft Fee calculations are based on the draft TIM Fee project list, direction given by the Board on May 5, 2015 to consolidate fee categories (Attachment 8D), and cost estimates to construct the TIM Fee projects. These draft Fee structures will be discussed in detail during the next round of focus group sessions, public workshops and the next Board Study Session in November/December. Based on the Board action to combine items and create new categories, the draft TIM Fee Structure provides some of the following results (for the Smoothed 8 Zone alternative):

- The overall draft TIM Fee program has been reduced from \$804.3 million to a proposed \$468.7 million, a 42% reduction.
- The residential fees, commercial and lodging fees go down substantially across all zones, with the potential exception of Zone 2. The fees are decreasing due a combination of factors, including but not limited to a revised and reduced growth forecast and revised project cost estimates.
- The only fee increases in are in the church, office, industrial, and warehouse categories in Zones 2, 3, and 8. While the increase in these categories and zones are by large percentages, the absolute dollar increases are modest.
- With regards to the warehouse category, the Board on May 5, 2015 agreed with staff's recommendation to merge the industrial and warehouse categories to reduce the incentive for developers to build a shell building and push the incremental industrial fee onto future tenants when they build out improvements. The result is a larger increase in the fees for the warehouse category. This change will address a significant issue that has been raised by many people over the years.

Discussion Point - TIM Fee Zone 2

The 2006 TIM Fee Program combined Zones 2 and 3 for the purpose of residential and non-residential fee rates and calculations since they have very similar characteristics, shared infrastructure, and straddle Highway 50. No other fee zones were merged in the 2006 Program.

The two 8-Zone alternatives discussed above maintain this merger, while the 5- and 4- zone alternatives consider different zone geographies altogether. As the starting point for analysis and discussion purposes of the two 8-Zone alternatives, each of the 8 individual zones should be kept independent (i.e. not merged) to determine the true fair-share cost burdens relative to each zone.

If Zones 2 and 3 are kept independent (i.e. not merged), Zone 2's fees would increase and Zone 3's fees would decrease. The relatively higher fees in Zone 2 stem from its fair share contribution to two of the most expensive TIM Fee project in the County – US 50/Ponderosa Interchange (\$39,417,000) and US 50/Cameron Park Interchange (\$87,284,000) – and modest growth forecasted to occur within the zone over the next 20 years over which to spread those costs.

One or more of the following options could be implemented to address this issue:

1. Merge Zones 2 and 3 (i.e. maintain the status quo of the current TIM Fee program)
2. Choose different Fee Zone geography alternative - Population Based (5 Zones) or Fee Based (4 Zones)
3. Remove project(s) from TIM Fee program (would require a 4/5 vote of the Board)

The US 50/Ponderosa Interchange improvements are necessary and provide a reasonable cost/benefit ratio. The US 50/Cameron Park Interchange improvements are necessary from an LOS perspective, but may not provide a reasonable cost/benefit ratio, particularly given its impacts to surrounding land uses and Zone 2 TIM fees. The high cost for the Cameron Park Interchange is largely due to the high right-of-way costs in the area and the need to acquire commercial properties with existing businesses to accommodate the project footprint. Attachment 9N provides a preliminary outline of the right-of-way needs for the improvement of the Cameron Park Interchange.

With the four proposed TIM Fee Zone geographies, alternative fee structures have been provided (Attachment M), including:

- Alternative 1: Zones 2 and 3 **merged, including** Cameron Park Interchange project
- Alternative 2: Zones 2 and 3 **unmerged, including** Cameron Park Interchange project
- Alternative 3: Zones 2 and 3 **merged, excluding** Cameron Park Interchange project
- Alternative 4: Zones 2 and 3 **unmerged, excluding** Cameron Park Interchange project

7. Proposed CEQA document for the TIM Fee Program

Rincon Consultants, Inc. has reviewed the draft TIM Fee project list and is proceeding with an Initial Study to determine if a Mitigated Negative Declaration (as scoped and budgeted) is the appropriate document for the TIM Fee Program. The appropriate CEQA document will provide a broad overview of the potential environmental consequences of adopting and implementing the proposed program. Project specific environmental documents will be required for each proposed project when an actual construction project is initiated.

ALTERNATIVES

N/A

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

The Major CIP and TIM Fee Update would address existing levels of traffic congestion, improve existing infrastructure and fund needed road improvements necessary to maintain LOS standards as required by General Plan policies and as part of the Infrastructure component of the County Strategic Plan.

NEXT STEPS

Following today's Study Session, staff will present the draft information contained in this report to focus groups scheduled for the week of September 21, 2015 and to the public during workshops scheduled for the week of September 28, 2015. Staff will return to the Board in November/December to present feedback from these focus group and public outreach meetings, provide new or revised information as necessary, and request the Board to provide direction regarding this information.

In the November/December Board session, staff will also present a Resolution of Intent to amend the General Plan to amend Figure TC-1 of the Circulation Element to add and/or remove roads and projects as necessary.

CONTACT

Claudia Wade, Senior Civil Engineer
Community Development Agency, Long Range Planning Division



COMMUNITY DEVELOPMENT AGENCY
LONG RANGE PLANNING DIVISION

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December 7, 2015

TO: Board of Supervisors

FROM: Claudia Wade, Senior Civil Engineer
Natalie Porter, Traffic Engineer

Subject: Major Capital Improvement Program (CIP) and Traffic Impact Mitigation (TIM) Fee Update – Board of Supervisors (Board) Study Session #4

PURPOSE AND SUMMARY

Staff is requesting direction on several items for the TIM Fee Program (items 1-7) and overall CIP (item 10) as listed below. Staff recommendations have been provided for items requiring direction and further discussion. Staff is also asking the Board to receive and file items 8 and 9 for the TIM Fee Program, and the public outreach report (item 11). Further detail is provided below.

TIM Fee Program:

- 1) Determine TIM Fee Zone Geography and TIM Fee Zones
Staff Recommendation: *Smoothed 8 Zone TIM Fee Geography with Zones 2 and 3 merged.*
- 2) Approve TIM Fee Project List
Staff Recommendation: *Approve TIM Fee Project List as presented in Attachment 13B.*
- 3) Provide direction on inclusion or removal of right-of-way, sidewalk, and curb and gutter from the TIM Fee Program and Frontage Improvements Ordinance
Staff Recommendation: *Remove right-of-way, sidewalk, and curb and gutter from TIM Fee Program Projects where feasible (as shown in Attachment 13C) and proceed with a Frontage Improvements Ordinance (Attachment 13D).*
- 4) Provide direction on the percentage allocation of El Dorado County Transportation Commission (EDCTC) State/Federal Grant Projection
Staff Recommendation: *Apportion 45% of forecasted future grant funding towards non-TIM Fee CIP projects and 55% towards the TIM Fee Program with the following allocations: 31% for external (pass-thru trips), 9% toward affordable housing allocation, and 15% towards the Non-Residential Offset. Refer to the updated TIM Fee Program Nexus Report (Attachment 13E).*
- 5) Provide direction on relief for secondary dwelling units
Staff Recommendation: *Allow for applicants to apply for relief via the TIM Fee Offset Program for Developments with Affordable Housing Units (Board Policy B-14).*

- 6) Adopt Resolution of Intention (ROI) to amend the General Plan
Staff Recommendation: Adopt ROI and direct staff to proceed with General Plan Amendment (Attachment 13F)
- 7) Provide direction for TIM Fee revenue annual transfer of funds from Zone 8 and Zones 1-7 to ensure fair share funding of roadway improvements
Staff Recommendation: Require all TIM Fee Zones to pay their fair share payments of roadway improvements and complete the appropriate fund balance transfers at the end of the fiscal year.
- 8) Receive and file Draft TIM Fee Ordinance and Resolution (Attachments 13G and 13H)
- 9) Receive and file TIM Fee Program Environmental Constraints Analysis (Attachment 13I)

CIP

- 10) Approve in concept the draft CIP (non-TIM Fee Funded) project list (Attachment 13J) and discuss and provide direction on “Unfunded” CIP Projects (Attachment 13K)
Staff Recommendation: Approve in concept the proposed CIP Project list as shown in Attachment 13J and add #71319 U.S. 50/Camino Area Local Road Improvements (EDC Share) and #GP137 White Rock Road Widening (2 to 4 lanes) – Manchester Drive to Sacramento County line projects to the overall CIP Project list. Approve in concept the Unfunded CIP Project list, as shown in Attachment 13K, without the two projects listed above. In addition, approve in concept the addition of projects 3-7 to the CIP upon receipt of funding.

CIP/TIM Fee Program:

- 11) Receive and file Public Outreach Summary and Report (Attachment 13L)
- 12) Discuss Project Schedule Information

BACKGROUND

An extensive background on the CIP and TIM Fee Programs was provided as part of the September 22, 2015 Board hearing materials (See attachment 9A). In summary, the CIP is the planning, prioritization, scheduling and construction mechanism, while the TIM Fee program is one of the funding mechanisms for getting needed CIP projects built within the County. The CIP includes TIM Fee and non-TIM Fee projects to be constructed over the next 20 years.

On February 10, 2015, staff provided a comprehensive summary of what the Board could expect as part of the Major CIP and TIM Fee Update process through its scheduled adoption. The Board confirmed the following:

- 1) Project purpose and goals
 - a. Develop a legally-defensible CIP that is consistent with the General Plan and supports its implementation.
 - b. Develop a legally-defensible TIM Fee Program that supports CIP implementation and is consistent with the Mitigation Fee Act (Assembly Bill 1600).
 - c. Reduce the TIM Fees to the extent possible while still achieving the goals above.
 - d. Adopt new CIP and TIM Fee Program by first quarter 2016.

- 2) Baseline assumptions (see below for additional information).
- 3) TIM Fee zone geography options (see below for additional information).
- 4) Approach to public outreach.
- 5) Project schedule.

On May 5, 2015, the Board took the following actions:

- 1) Received and filed information on the traffic analysis methodology, existing and future deficiency analysis results, alternative funding, and summary of initial public outreach and focus groups.
- 2) Confirmed that the four TIM Fee Zone geography options presented are appropriate for further analysis.
- 3) Directed staff to select one parcel in each existing Zone and demonstrate at a future Board meeting how the TIM Fee rate for said parcel would be affected in each Zone change scenario.
- 4) Provided input on the land use categories.
- 5) Directed staff to proceed with the 2035 General Plan Land Use Scenario for the purposes of creating a draft CIP list and preliminary TIM Fee structure.

On September 22, 2015, staff provided the following information for the Board to receive and file for further discussion in the December Board Study Session:

- 1) Proposed 2035 TIM Fee project list.
- 2) Proposed 2035 TIM Fee project component assumptions.
- 3) Status of proposed CIP project list.
- 4) Alternative funding sources.
- 5) Updated project schedule.
- 6) Draft TIM Fee structure.
- 7) Proposed California Environmental Quality Act (CEQA) document for the TIM Fee Program.

DISCUSSION

Staff is recommending the Board provide direction on items 1 through 7 and 10 listed below. Staff has included items 8, 9, 11 and 12 for the Board to receive and file. The information provided below provides background on the 12 items, as well as options and staff recommendations. References to attachments from the September 22, 2015 Board Study Session (version 9 of this Legistar item) are included in this discussion.

1. Board Direction Requested: Determine TIM Fee Zone Geography and TIM Fee Zones TIM Fee Zone Geography

Attachment 9M contains the preliminary draft TIM Fee Structures for four alternative TIM Fee Zone geographies. Further discussion was also provided in the staff report for the September 22, 2015 Board Study Session (see Attachment 9A). The four alternative TIM Fee Zone geographies are as follows:

1. Best Fit (Existing)
2. Smoothed (8 Zones)
3. Population Based (5 Zones)

4. Fee Based (4 Zones)

Because the Best Fit Scenario (existing) attempts to place TIM Fee zones over Traffic Analysis Zones (TAZ) that were modified with the updated Travel Demand Model (TDM), this scenario does not accurately align the TIM Fee Zones with TAZs, and is therefore not an optimal scenario to use for the TIM Fee Program. The Smoothed Zone provides a better reflection of TIM Fee Zones in accordance with the new TAZs used for the TDM. The population and fee based scenarios (3 and 4) resulted in some zones increasing in fees, and therefore do not appear to be optimum options.

Options:

- 1) *Alternative 1: Zone Geography 1 - Best Fit*
- 2) *Alternative 2: Zone Geography 2 - Smoothed*
- 3) *Alternative 3: Zone Geography 3 - Population Based*
- 4) *Alternative 4: Zone Geography 4 - Fee Based*

Staff Recommendation: *Option 2): Alternative 2 - Smoothed 8 Zone Scenario that retains the current 8 zone structure but better aligns Fee zones with the TDM's TAZs.*

Smoothed Scenario – Merging or Unmerging Zones 2 and 3

If the Board determines that the Smoothed Scenario is appropriate, a follow up discussion is required to determine if TIM Fee Zones 2 & 3 should be merged or unmerged. As discussed during the September 22, 2015 Board Study Session, the 2006 TIM Fee Program combined Zones 2 and 3 since they have very similar characteristics, shared infrastructure, and straddle U.S. Highway 50 (U.S. 50). No other fee zones were merged in the 2006 Program. See Attachment 9A for the full discussion.

If TIM Fee Zones 2 and 3 are merged, both TIM Fee Zones result in lower residential fees. If Zones 2 and 3 are unmerged, TIM Fee Zone 2 residential fees increase, and TIM Fee Zone 3 residential fees decrease. One of the reasons for this occurrence is that two of the most expensive TIM Fee Road projects (Cameron Park Interchange and Ponderosa Interchange) are both located in Zone 2.

After discussing this topic with the Board on September 22, 2015 and with the focus groups and public workshops, many believed that the merging zones 2 and 3 would result in a more balanced and equitable program.

Options:

- 1) *Merge Zones 2 and 3 (i.e., maintain the status quo of the current TIM Fee Program)*
- 2) *Keep Zones 2 and 3 separate.*

Staff Recommendation: *Merge zones 2 and 3 (i.e., maintain the status quo of the current TIM Fee Program).*

2. Board Direction Requested: Approve TIM Fee Project List

As discussed at the September 22, 2015 Board Study Session (Attachment 9A), the proposed TIM Fee Project list (Attachment 9C) was developed by identifying what roadway improvements would be required over a 20-Year period (through 2035) as a result of growth.

A discussion also took place regarding the potential removal of the Cameron Park Interchange (CPI) project. The project is estimated to cost approximately \$90,000,000, coupled with significant right-of-way issues, making it very difficult to program, fund and construct. If the Board wants to remove this project from the TIM Fee project list, the Board must vote (by 4/5 majority) to allow this interchange to operate at Level of Service (LOS) F.

The U.S. 50/CPI improvements are necessary from an LOS perspective, but may not provide a reasonable cost/benefit ratio, particularly given its impacts to surrounding land uses and TIM fees. The high cost for the CPI is largely due to the high right-of-way costs in the area and the need to acquire commercial properties with existing businesses to accommodate the project footprint. Attachment 9N provides a preliminary outline of the right-of-way needs for the improvement of the CPI.

After discussion with the Board and through the public outreach conducted in late September, staff recommends keeping the CPI project in place for now, but requests that the Board direct staff to conduct an alternatives analysis once the Major CIP and TIM Fee Update is complete to determine a more viable, lower cost alternative than the \$90,000,000 project in the current Project Study Report. If a viable alternative is identified, it can be incorporated in to the CIP and TIM Fee during a future annual update.

Options:

- 1) Adopt the proposed TIM Fee Project list as shown in Attachment 13B and continue with the current CPI improvement provided in the existing Project Study Report.*
- 2) Adopt the proposed TIM Fee Project list as shown in Attachment 13B and direct staff to conduct an alternatives study to determine a more viable improvement for CPI once the Major CIP and TIM Fee Update is complete.*
- 3) Adopt the proposed TIM Fee Project list as shown in Attachment 13B and proceed with a General Plan Amendment via a 4/5 vote by Board to remove the CPI project from the TIM Fee list.*

Staff Recommendation: *Adopt the proposed TIM Fee Project list as shown in Attachment 13B and direct staff to conduct an alternatives study to determine a more viable improvement for CPI once the Major CIP and TIM Fee Update is complete.*

3. Board Direction Requested: Inclusion or removal of right-of-way, sidewalk, curb and gutter from the TIM Fee Program

As discussed during the September 22, 2015 Board Study Session, the existing TIM Fee Program includes right-of-way costs and frontage improvements (sidewalk, curb and gutter) for some projects. Staff's preliminary recommendation is to remove sidewalk, curb and gutter, and right-of-way from the TIM Fee Program in locations where future development could provide right-

of-way and construct frontage improvements at their own cost and without reimbursement. See Attachment 13C for an overview of alternatives in removing right-of-way and/or sidewalks from project costs.

If the Board agrees with this recommendation, an ordinance requiring development to construct its frontage improvements and dedicate right-of-way would be necessary. This practice is consistent with many other local jurisdictions, including Placer County. A draft of the proposed Frontage Improvements Ordinance has been provided as Attachment 13D for the Board to receive and file. The ordinance would be processed along with the CIP and TIM Fee Update project.

The benefits to removing right-of-way, sidewalk, curb and gutter are:

- Overall TIM Fee Program costs could be reduced by approximately \$18,900,000.
- Developers could be required to provide necessary right-of-way to the County and/or pay for frontage improvements as part of the project approval and development process, rather than leaving these items in the TIM Fee Program and spreading these costs across all new development subject to the TIM Fee.

The potential downside to removing right-of-way, sidewalk, curb and gutter are:

- If the County constructs a TIM Fee road project, different funding sources may potentially need to be secured.
- Certain development projects may incur increased costs.

Options:

- 1) *Leave all right-of-way. Sidewalk, curb and gutter costs to be eligible for reimbursement in the TIM Fee Program*
- 2) *Remove right-of-way, sidewalk, curb and gutter from feasible projects as demonstrated in Attachment 13C and proceed with a Frontage Improvement Ordinance (Attachment 13D).*

Staff Recommendation: *Remove right-of-way, sidewalk, curb and gutter from feasible projects as demonstrated in Attachment 13C and proceed with a Frontage Improvement Ordinance (Attachment 13D).*

4. Board Direction Requested: Percentage allocation of EDCTC State/Federal Grant Projection

Alternative funding for the CIP

Alternative funding for the CIP includes all federal, state, and local sources other than TIM Fee revenue. El Dorado County receives some federal and state transportation revenue directly from the funding agencies. Other federal and state transportation funding is programmed through the Regional Transportation Planning Agency and the Metropolitan Planning Organization; in the case of El Dorado County, those agencies are the EDCTC and Sacramento Area Council of Governments (SACOG), respectively. Federal and state transportation funding is typically programmed formulaically or through a competitive process.

As discussed at the September 22, 2015 Board meeting, EDCTC provided the County with a draft projection of available funds for the next 20 years as part of the Financial Element of the Draft El Dorado County Regional Transportation Plan 2015-2035 for use in the CIP and TIM Fee Update (Attachment 9J).

The grant revenue estimate for the updated program is based on a conservative assumption that the County will get only 86% of the total EDCTC projected revenue, even though the unincorporated area contains 93% of the West Slope's population. Based on the last 11 years of revenue history for the TIM Fee, the County could anticipate \$196,000,000 in grant funding over the next 20 years. In an effort to be conservative, the draft TIM Fee structure only assumes that the County will receive \$188,000,000, and of that amount only \$103,142,000 (55% of \$188,000,000) will be applied to the TIM Fee Program. The 55% proposed is based on the historical use of grants towards the TIM Fee Program.

Attachment 9K, Draft Technical Memorandum 3-2: *Project Policy Guidance and Technical Assumptions*, provides a full discussion on the alternative funding. Based on direction provided by the Board on December 7, 2015, Technical Memorandum 3-2 will be updated and presented at the January 2016 Board Study Session. Outside of the TIM Fees, other local funds are primarily derived from contributions from the Missouri Flat Master Circulation and Financing Plan (MC&FP).

Reduction of Contribution towards TIM Fee Program

On September 22, 2015, staff presented a scenario that assumed that 64% of the projected grant revenue would be apportioned to the TIM Fee Program and 36% would be apportioned for non-TIM Fee funded CIP Projects. The 64% was selected as an approximation of the existing program assumptions. The 64% for the TIM Fee Program had the following breakdown:

- 31% for external (pass through) trips
- 11% towards affordable housing
- 22% towards non-residential offset (provides 60% reduction of fees for non-residential projects)

Based on historical federal/state funding use on TIM Fee projects, staff recommends reducing the grant revenue apportioned to the TIM Fee Program from 64% to 55%. In order to make this reduction, a change in allocation has to occur from the only two categories that can be modified: non-residential offset and affordable housing. The 31% dedicated to external (pass thru) trips is based on the required contribution as a result of the TDM analysis; this allocation cannot be modified, as the County cannot require new development to pay for pass through trips.

A commitment was made with the 2006 housing element update that \$20,000,000 would be allocated towards affordable housing. A total of \$2,300,000 has been spent or committed to date, leaving a remainder of \$17,700,000 balance. The balance is required to remain in the TIM Fee Program as part of the commitment made in 2006. Adjusting the allocation to reflect the \$17,700,000 balance would allow for a 2% reduction.

More flexibility exists in the adjustment of the state/federal grant allocation towards the non-residential fee offset. In 2006, the Board directed that a portion of the forecasted grant revenue be used to reduce the costs of non-residential TIM Fees to meet the Board's various policy objectives, including their goal to keep the commercial rates at a more competitive level.

The proposed fee program demonstrates a significant lowering of the non-residential categories, which still meets the goals of the Board from 2006. Because there is not much flexibility from affordable housing, and none from the pass through trips, staff recommends reducing the non-residential subsidy by 7%.

The results of these amendments are reflected in the updated TIM Fee program nexus report (Attachment 13E), which includes all TIM Fee program costs and assumptions which have been updated from the document provided on September 22, 2015.

Options:

- 1) *Apportion 64% of the projected grant revenue to the TIM Fee Program, maintaining the following allocations: 31% towards External Trips, 11% towards affordable housing, and 22% towards non-residential offset (provides 60% reduction of fees for non-residential projects). Apportion remaining 36% of the projected grant revenue to the non-TIM Fee funded CIP projects.*
- 2) *Apportion 55% of the projected grant revenue to the TIM Fee Program with the following revised allocations: 31% towards External Trips, affordable housing allocation reduced from 11% to 9% (\$17,650,000 instead of \$20,000,000), and non-residential offset reduced from 22% to 15% (\$28,129,500 instead of \$41,256,600, bringing down offset from 60% to 40.9%). Apportion remaining 45% of the projected grant revenue to the non-TIM Fee funded CIP projects.*
- 3) *Apportion a different percentage, between 55% and 64%, of the projected grant revenue to the TIM Fee Program. If the Board determines a percentage between 55% and 64%, staff will return with the corresponding TIM Fee Program.*

Staff Recommendation: *Apportion 55% of the projected grant revenue to the TIM Fee Program with the following allocations: 31% for External (pass-through trips), 9% toward affordable housing, and 15% towards the Non-Residential Offset. Apportion remaining 45% of the projected grant revenue to the non-TIM Fee funded CIP projects.*

5. Board Direction Requested: Provide relief for secondary dwelling units

Secondary dwelling units were accounted for in the impact analysis and fair share contributions towards the mitigation of impacted roadways. Because these units are included in the analysis, the fees for secondary dwelling units cannot simply be waived. However, applicants can consider using the *TIM Fee Offset Program for Developments with Affordable Housing Units*, (Board Policy B-14) towards the offset and/or waiver of their TIM Fees. The Board can also use a portion of the projected Federal/State grant funds to reduce the costs of secondary dwellings. In doing so, the allocation to non-residential would be the only area this funding could come from.

Options:

- 1) Continue to allow applicants to apply for relief via the TIM Fee Offset Program for Developments with Affordable Housing Units.
- 2) Designate a portion of the projected Federal/State grant funds to reduce the costs of secondary dwellings.

Staff Recommendation: Continue to allow applicants to apply for relief via the TIM Fee Offset Program for Developments with Affordable Housing Units as codified in Board Policy B-14.

6. Board Direction Requested: Adopt ROI to amend the General Plan

The General Plan states that “The Circulation Map (General Plan Figure TC-1) depicts the proposed circulation system to support existing, approved and planned development in unincorporated El Dorado County through 2025.” Attachment 13B includes the list of road and circulation improvement projects to be constructed over the next 20 years that will accommodate forecasted growth through 2035. Existing General Plan Policy TC-1u states: “The County shall amend the circulation diagram to include a new arterial roadway from the west side of the El Dorado Hills Business Park to U.S. 50.” In order to remove the employment cap on the El Dorado Hills Business Park and implement Policy TC-1u, Figure TC-1 must be updated.

See Attachment 13G for the proposed ROI. Upon Board adoption, staff will set a public hearing to consider proposed amendments to the General Plan Transportation and Circulation Element to ensure consistency between the General Plan, the CIP and the TIM Fee Program, and to recognize the Capitol Southeast Connector Project, including but not limited to:

- Figure TC-1 and related text
- Impact Fee Program section (page 59)
- Policy TC-1t
- Policy TC-1u and Measure TC-V(1)
- Policy TC-1y

Options:

- 1) Do not amend the road list as provided in the 2012 TIM Fee Program, and disregard the ROI
- 2) Adopt the ROI to proceed with General Plan Amendment

Staff Recommendation: Adopt ROI and direct staff to proceed with General Plan Amendment (Attachment 13F)

7. Board Direction Requested: Provide Direction for TIM Fee Revenue transfer of funds from Zone 8 and Zones 1-7

There are numerous calculations that are used in determining the appropriate fee to collect for each TIM Fee Zone. First, an estimate is developed for each proposed TIM Fee project, which represents how much it will cost to plan and build the project. The projected cost may be adjusted to account for any non-TIM fee revenues (such as the MC&FP) that may apply to each project. The total cost for all of the proposed TIM Fee projects is then spread to each of the eight fee zones proportionally, based on the traffic volumes for each specific project from each of the

zones. For example, if a project costs \$12,000,000 and Zone 5 contributes 10% of the traffic using the road where that project is located, then Zone 5 is responsible for 10%, or \$1,200,000 of the project cost.

The total of the allocations for each of the individual projects included in the proposed Fee Program are then summed for each zone, giving a total amount that is the responsibility of new development within that zone. Added to this is a pro-rated share of the non-location specific program costs, such as the transit improvements and the costs for fee program development.

The total costs for each zone are then converted to the proposed initial fee rates based on the total cost for the zone, divided by the projected growth in the zone using the five different land use categories used in the TDM (single family residential, multi-family residential, retail jobs, service jobs, and other jobs) and the applicable trip generation rates for each use (ITE Trip Generation Manual, 10th edition). The fee rates proposed within each zone provide a reasonable relationship between the fee and the share of the roadway improvement requirements attributable to development within that given fee zone.

When the 20-Year TIM Fee Program was developed in support of the 2004 General Plan, the one exception to the TIM Fee calculations was that of Zone 8 – El Dorado Hills. The Board at that time directed that Zone 8 was to be treated in a way that mirrored the El Dorado Hills/Salmon Falls Area Road Improvement Fee (RIF) Program. In that program, Zone 8 was 100% responsible for the costs of the roads within that zone. Recognizing this increased responsibility, the costs of road projects outside of the boundaries of Zone 8 were not to be allocated to the zone, but rather, to all the other seven zones. The one exception was the U.S. 50 mainline projects, as these have clear benefit to all residential and non-residential users in the County. These costs were allocated to all eight fee zones based on the percentages of use by each zone.

In the previous TIM Fee program, since most of the roadway improvements expected to be constructed over 20 years were in the western portion of the County, the higher TIM Fees were also assigned to the western portion of the County. U.S. 50 interchange projects were the most expensive road improvements, and thus Zone 8 incurred a larger share of the costs. In the new TIM Fee Program, staff is recommending that the TIM Fee Zones all pay for their fair share components of all the projects. This will prevent any of the TIM Fee zones from subsidizing any of the other TIM Fee Zone fair share payments.

In order to ensure the revenue is appropriately captured by the TIM Fee Zones, an annual review will be made (at the end of the fiscal year) to make the appropriate transfer of revenue necessary to ensure that the fair share roadway improvement contributions are made.

Options:

- 1) *Maintain the collection and use of TIM fee money consistent with the current TIM Fee Program.*
- 2) *Require all TIM Fee Zones to pay their fair share payments of roadway improvements and complete the appropriate fund balance transfers at the end of the fiscal year.*

Staff Recommendation: *Require all TIM Fee Zones to pay their fair share payments of roadway improvements and complete the appropriate fund balance transfers at the end of the fiscal year.*

8. Receive and file draft TIM Fee Ordinance and Resolution

Currently El Dorado County adopts the TIM Fee Program via Resolution. It is standard practice for other jurisdictions, including Placer County, to adopt a TIM Fee program which establishes the basic structure with an Ordinance. Staff proposes the Board adopt the TIM Fee Program via Ordinance, and adopt the fee schedule via Resolution. The Resolution would be easier to amend on a yearly basis for rate adjustments. See Attachment 13G for the proposed draft Ordinance and Attachment 13H for the proposed draft Resolution.

9. Receive and file TIM Fee Project List Environmental Constraints Analysis

The original scope of work identified a Mitigated Negative Declaration as the likely environmental document to provide a legally defensible TIM Fee program. However, after the traffic analysis was completed a new road segment was identified for inclusion in the TIM Fee program. The addition of a new road segment and the identification of an alignment for the Latrobe Road Connector necessitate a General Plan Amendment to update Figure TC-1 and appurtenant General Plan policies. Based on the traffic analysis and the need for General Plan Amendments, staff and the consultant team have determined that a Programmatic Environmental Impact Report (EIR) is now the most appropriate document to prepare pursuant to the California Environmental Quality Act (CEQA) for the Major CIP and TIM Fee Update. The EIR will require additional time to complete and will extend the project schedule by three months. Staff will return to the Board on December 15, 2015 with a proposed contract amendment to complete the Programmatic EIR.

Rincon Consultants, Inc. (Rincon) has reviewed the draft TIM Fee project list and has provided an Environmental Constraints Analysis which is information that will be used for a Programmatic EIR. This constraints analysis has been provided as Attachment 13I. Rincon is also completing a constraints analysis for the non-TIM Fee funded CIP, which will be provided at the next Board Study Session in January 2016. This information will also be used as part of the Programmatic EIR.

CIP:

10. Board Direction Requested: Approve in concept the draft CIP (non-TIM Fee Funded) project list and discuss and provide direction on “Unfunded” CIP Projects

The CIP is a planning document that identifies all capital improvement projects (e.g., roads and bridges) a local government or public agency intends to build, replace or improve over a certain time horizon. CIPs typically provide key information for each project, including delivery schedule, cost and various revenue sources. The Community Development Agency’s (CDA) CIP provides a means for the Board to determine the CDA’s capital improvement projects and funding priorities over a 20-Year horizon.

The CDA’s 2015 CIP was adopted on June 16, 2015. The CIP includes TIM Fee funded projects as well as improvements without any TIM Fee funding. At this time the draft CIP includes the

TIM Fee funded projects list (Attachment 13B) and non-TIM Fee funded projects (Attachment 13J) that were included in the 2015 CIP. The estimated costs and revenue sources are identified. The schedule for the projects will be detailed during the next Board Workshop session.

The majority of the non-TIM Fee funded projects are bridge projects. El Dorado County has been very successful in obtaining Highway Bridge Project (HBP) funding for these projects. The latest SACOG Metropolitan Transportation Improvement Program identifies over \$132,000,000 for the El Dorado County HBP program over the next 20 years. Both SACOG and EDCTC staff's advice is to address the HBP program as separate from the available funding sources for non-TIM Fee funded projects as discussed in item 4 above.

Based on the availability of funding sources and projects needing funding, the Board has the potential to add projects to the 2035 CIP list. These projects should be selected from the "Unfunded" CIP project list. Administration, Transportation and Long Range Planning Divisions of the CDA have discussed the prioritization of the non-TIM Fee funded projects in conjunction with the potential non-TIM Fee funding sources.

The "Unfunded" list was compiled using various sources, including:

- Projects in the current CIP or TIM Fee programs that are not proposed for funding under the updated TIM Fee program
- Projects suggested by the public through the El Dorado County Western Slope Update project website (www.edcwesternslopeupdate.com)
- Projects included in the *El Dorado County Bicycle/Pedestrian Plan 2010*
- Projects suggested by the *Green Valley Road Final Corridor Analysis Report, 2014*, *Diamond Springs-El Dorado Area Mobility and Liveable Community Plan, 2014* and *Cameron Park Community Transportation Plan, 2015*

Every suggestion that was received through the public outreach process is included in the 175+ item "Unfunded" list for consideration by the Board (See Attachment 13K). For each suggested project, staff included a brief explanation as to why it is or is not recommended for funding at this time.

Given the long list, staff prioritized projects based on several factors. The highest priority was given to projects that are in the current 2015 Annual CIP book, but are no longer eligible for TIM Fee funding. High consideration was also given for projects that are regional in nature and planned in conjunction with another public entity, such as the Southeast Connector Joint Powers Authority or Caltrans, and potential safety projects. Projects were also considered priorities that are good candidates for grants (i.e., projects that address traffic operations, air quality, safe routes to school, non-motor circulation, and pavement rehabilitation), are identified as a recommended improvement in a planning study and addresses an existing or future problem (safety/operational/connectivity issue), are buildable, and can be included as part of a currently programmed improvement with an identified funding source. Projects on the "Unfunded" CIP list may be added to the CIP as funding becomes available.

The top ranked non-TIM Fee projects are:

1. #71319: U.S. 50/Camino Area Local Road Improvements – EDC Share
2. #GP137: White Rock Road Widening (2 to 4 lanes) – Manchester Drive to Sacramento County line
3. #72332: El Dorado Hills Boulevard/Francisco Drive Intersection Alignment
4. #71340: U.S. 50/El Dorado Hills Blvd. Interchange – Pedestrian Overcrossing
5. #GP182: Silva Valley Parkway/Golden Eagle Lane Intersection Signalization
6. #73307: Mother Lode Drive/Pleasant Valley Road Intersection Improvements
7. #GP173: Pleasant Valley Road Widening – Pearl Place to Big Cut Road in Diamond Springs

Staff recommends the Board add, at a minimum, the first two projects listed above to the CIP, identifying projected Federal and State funding available for non-TIM Fee Program projects as the funding source. Staff also recommends that the Board authorize the addition of projects 3-7 listed above to the CIP upon receipt of funding.

Options:

- 1) *Approve in concept the proposed CIP Project list as shown in Attachment 13J and adding #71319 U.S. 50/Camino Area Local Road Improvements (EDC Share) and #GP137 White Rock Road Widening (2 to 4 lanes) – Manchester Drive to Sacramento County line projects to the overall CIP Project list. Approve in concept the Unfunded CIP Project list, as shown in Attachment 13K, without the two projects listed above. In addition, approve in concept the addition of projects 3-7 to the CIP upon receipt of funding.*
- 2) *Approve in concept the proposed CIP Project list as shown in Attachment 13J with any changes as discussed at the December 7, 2015 Board Study Session.*

Staff Recommendation: *Approve in concept the proposed CIP Project list as shown in Attachment 13J and add #71319 U.S. 50/Camino Area Local Road Improvements (EDC Share) and #GP137 White Rock Road Widening (2 to 4 lanes) – Manchester Drive to Sacramento County line projects to the overall CIP Project list. Approve in concept the Unfunded CIP Project list, as shown in Attachment 13K, without the two projects listed above. In addition, approve in concept the addition of projects 3-7 to the CIP upon receipt of funding.*

CIP/TIM Fee Program:

11. Receive and file public outreach summary and report (Attachment 13M).

The second round of the public outreach was designed to engage the public and focus groups, giving them an opportunity to comment on and suggest projects for the CIP, review the methodology used to develop the TIM Fees and comment on the proposed changes to the TIM Fee program. This phase ran between May and September of 2015.

The project website continues to be a valuable tool to engage a larger County-wide audience. The site has been updated and includes all project deliverables for public review and two separate interactive workshops and tools to allow public comment on documents, suggestions for capital improvement projects and online participation for public workshops. Over 3,500

individual sessions have been tracked since launch between the website and the interactive mapping tool. The website has over a 1,000 active users and has had more than 4,300 page views. Due to several members of the public requesting that the interactive webtool remain open to provide comments on the CIP, the website stayed open an additional month. Staff also received phone calls from members of the public who own land in El Dorado County but live out of state, and are keeping track of the major update via the project website.

Attachment 13L provides a summary of the second round of focus group meetings and public workshops which took place in September. A third public workshop is scheduled for December 8, 2015.

12. Project Schedule

Since a Programmatic EIR will be required for the Major CIP and TIM Fee Update rather than a Mitigated Negative Declaration (as was originally scoped and budgeted), the project schedule will be extended by approximately three months, with final project approval now anticipated in June 2016. The updated project schedule will be included as an attachment to an upcoming Board Agenda Item requesting a contract amendment.

ALTERNATIVES

N/A

FINANCIAL IMPACT

There is no change to Net County Cost associated with this agenda item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Clerk of the Board staff to obtain the Board Chair's signature on ROI to amend the General Plan, and return a copy of the fully-executed ROI to the Long Range Planning Division.

STRATEGIC PLAN COMPONENT

The Major CIP and TIM Fee Update would address existing levels of traffic congestion, improve existing infrastructure and fund needed road improvements necessary to maintain LOS standards as required by General Plan policies and as part of the Infrastructure component of the County Strategic Plan.

NEXT STEPS

Following today's Board Study Session, staff will present the draft information contained in this report to the public during a workshop scheduled for December 8, 2015. Staff will return to the Board in late January, 2016 with the following items:

- Updated information on the TIM Fee Program and overall CIP program based on direction provided by the Board on December 7, 2015.
- Request for direction on the prioritization of all CIP projects.
- Request for approval for the scope of work for the overall CIP Programmatic EIR which includes the updated TIM Fee CIP projects.
- Request for approval on proposed General Plan Amendments.

December 7, 2015

Major CIP/TIM Fee Update – Board Study Session #4

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